



LADISMITH | CALITZDORP | VAN WYKSDORP | ZOAR

Heart of the



and Klein Karoo . . .



ANNUAL REPORT

2013-2014

2013/14

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CONTENTS –List Of Abbreviations

AG	Auditor-General
ASGISA	Accelerated and Shared Growth Initiative for South Africa
BBBEE	Broad Based Black Economic Empowerment
CAPEX	Capital Expenditure
CBP	Community Based Planning
CFO	Chief Financial Officer
DPLG	Executive Manager of Provincial and Local Government
DWAF	Executive Manager of Water Affairs and Forestry
EE	Employment Equity
GAMAP	Generally Accepted Municipal Accounting Practices
GDS	Growth and Development Summit
GRAP	Generally Recognised Accounting Practices
GDP	Gross Domestic Product
HR	Human Resources
IDP	Integrated Development Plan
IFRS	International Financial Reporting Standards
IGR	Intergovernmental Relations
IMFO	Institute for Municipal Finance Officers
KPA	Key Performance Area
KPI	Key Performance Indicator
KKANNALAND LM	Kannaland Local Municipality
LED	Local Economic Development
MAYCO	Executive Mayoral Committee
MFMA	Municipal Finance Management Act (Act No. 56 of 2003)
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MSA	Municipal Systems Act No. 32 of 2000
MTECH	Medium Term Expenditure Committee
NGO	Non-governmental organisation
NSDP	National Spatial Development Perspective
NT	National Treasury
OPEX	Operating expenditure
PMS	Performance Management System
PMU	Performance Management Unit
PT	Provincial Treasury
SALGA	South African Local Government Association
SAMDI	South African Management Development Institute
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
SMME	Small Medium Macro Enterprise

Chapter 1

CHAPTER 1 – INTRODUCTION

ABOUT THE 2013/14 ANNUAL REPORT

The municipality has embarked on delivery quality service delivery to the community as well to undertake severe actions to improve controls with effect to the audit report.

This report offers an overview of the operations, financial, non-financial activities and performance of Kannaland Municipality for the 2013/14 financial year. As a the result of the late issuing of the Audit Report for the audit of the financial statements for the period of 2013/14, the annual report is prepared in terms of Section 127(3) and process has been trailed as per section 127 (3) (a-c) stipulated in the Municipal Finance Management Act (MFMA).

The Annual Report consist of five chapters with a broad overview as follows:

- Chapter 1: An overview of the Municipality's social and demographic profile and key highlights regarding Finance, Performance and Service Delivery.
- Chapter 2: Provides details about the governmental workings of the municipality addressing the key aspects of good governance.
- Chapter 3: Highlights the Municipality's performance for the year, focussing on the service delivery and the Pre-determined objectives of the Council.
- Chapter 4: Provides insight into the Human Resources and organisational management areas of the Municipality, focussing on organisational structure and legislation.
- Chapter 5: An overview of the Municipality's financial performance, reflecting on the Municipality's financial position, assets, cash flow and intergovernmental grants received by the Municipality.
- Annexure A: Audited Financial Statements
- Annexure B: Report of the Auditor General

Chapter 1

COMPONENT A: MAYOR'S FOREWORD

1.1. CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

Twee goed staan trots uit op Kannaland se helder horison:

Die munisipaliteit het 'n ongekwalifiseerde ouditmening van die ouditeur-generaal gekry en die munisipaliteit het 'n dreigende waternood, die ergste in 35 jaar, afgeweer en gesorg dat watersekuriteit in Kannaland nou haalbaar is.

Dit het jare-lange druk op die provinsiale en nasionale regerings gekos om die Munisipaliteit Kannaland by te staan soos wat ander plaaslike regerings gehelp en ondersteun word.

In the end, the people of Kannaland prevailed. My interventions in the highest circles, and the extraordinary management commitment of the Municipal Manager and his team, turned my municipality around and placed this, one of the smallest Western Cape municipalities, in the company of the top local governments. I am extremely proud of this achievement and the officials that worked uncompromisingly toward this audit outcome. These were ordinary officials, doing extraordinary things.

This IDP represents my renewed commitment to the best service delivery for all Kannalanders.

My government is truly of the people and my office always at the ready to address local service delivery problems and provide solutions.

There is no other reason for a local government to be than to deliver basic services to the people.

Kannaland se teenswoordige sukses is 'n voorbeeld van wat bereik kan word wanneer die drie regeringsfere saamwerk tot voordeel van inwoners.

Ek is besonder trots om die Uitvoerende Burgemeester van Kannaland te wees. Ek sien daarna uit om die mense van Kannaland nog jare lank te dien.

JEFFREY DONSON

EXECUTIVE MAYOR

Chapter 1

COMPONENT B: EXECUTIVE SUMMARY

1.2. MUNICIPAL MANAGER'S OVERVIEW

My administration and I have turned the Kannaland Municipality into a swan. The once ugly duckling is no more. My team and I are directed by the words of Mahatma Ghandi, "You may never know what results come from your action. But if you do nothing, there will be no result."

Kannaland received an unqualified audit opinion for the first time ever, for the year under review. It is abundantly clear that no fraud, graft, or other mismanagement is present in this municipality.

Ek en my span het die jaarlikse watertekort, wat vanjaar met die ergste droogte in sowat 35 jaar gepaard gegaan het, afgeweer. Belangriker, selfs, is die besliste optrede wat volhoubare watersekuriteit nou moontlik maak. Die water-aangeleentheid sal meer oorsig kry in die 2014-15 finansiële jaarverslag.

It must be noted that both the audit and water successes had been results of candid, unvarnished approaches.

There are many highlights that must be mentioned:

- Completion of the phase 1 of the Thusong centre;
- Completion of the Van Wyksdorp Sewerage Package Plant- eradication put latrines;
- Paving of roads in Van Wyksdorp & Ladismith;
- Phase 1 of the electrical substation in Calitzdorp;
- Installation of streets lights for the first time in Zoar's history;
- Zoar Water reticulation - phase 1 & 2 to address waterleakes and improved water supply;
- Calitzdorp Water Availability Study;
- Approval of the Ladismith Dam Relocation;
- Approval of Ladismith Waste Water Treatment Works;
- Phase 1 of the Waste Sites;
- New Cemetary for Zoar;
- Implementation of Electronic Meter reading System (Motla);
- Successful implementation of the General Evaluation roll for the next five year

The above are but a few of the key strategic in initiatives and completed projects of this administration.

All of these decisive interventions translate into a local government where both the public and the private sector may invest with confidence and expectation of significant returns.

The Kannaland of today represents the success possible and probable when the different spheres of government work together in a non-partisan spirit of goodwill and commitment.

Hierdie jaarverslag is die kollig wat Kannaland se toekoms verhelder. Dit is ook 'n dokument wat my toewyding herbevestig: Om Kannaland se dienslewering te laat uitstaan; om die mense van Kannaland die dienste te gee wat inwoners van 'n voorste munisipaliteit verdien.

My Council and team will continue to strive for service excellence and be guided by the word of the country's founding father: "It always seems impossible until its done" – Nelson Mandela.

My gratitude to the Council, the Executive Mayor and my team of officials for that never quit attitude!

Mr. Morne Hoogbaard
Municipal Manager

Chapter 1

1.3. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

The Kannaland Local Municipality is classified as a Category B municipality located in the Eden District Municipality and is responsible for basic service provision to the towns of Ladismith, Calitzdorp, Van Wyksdorp, Zoar and surrounding farming communities.

1.3.1. MUNICIPAL FUNCTIONS

The Municipality is structured in three directorates namely, Corporate Services (Administration and Community), Finance and Technical Services. The Technical Services department currently reports directly to the Municipal Manager.

The Municipality's administration comprises of the following departments and functions:

DEPARTMENT	FUNCTION (SECTION)
Municipal Manager	<ul style="list-style-type: none">• Integrated development planning• Corporate strategy• Performance management• Communications• Inter-governmental relations• International relations• Local Economic Development and tourism Spatial Development Planning• Internal Audit• Risk Management
Financial Services	<ul style="list-style-type: none">• Revenue management• Expenditure management• Budget preparation and management• Management of financial statement• Supply chain management• Asset management (Maintain Asset Register)• Information Communication Technology
Corporate and Community Services	<ul style="list-style-type: none">• Community Services• Libraries• Cemeteries• Sport, parks and recreation• Community development• Property Development• Management and planning of heritage and environmental resources• Solid waste management• Integrated Human Settlements (housing)

Chapter 1

DEPARTMENT	FUNCTION (SECTION)
	<ul style="list-style-type: none">• Land use management• Building Control and Town Planning• Public Safety and traffic services• Disaster management• Administration• Human Resources• Committee Secretariat• Legal Services• Policy formulation• Records Management• Knowledge management• Integrated Transport
Technical Services	<ul style="list-style-type: none">• Engineering Services• Roads and storm water• Waste water services (Sanitation)• Water services• Electrical services• Fleet Management• Mechanical workshops (pumps and vehicle)• Project management: MIG,RBIG, ACIP and other infrastructure projects

Table 1: Department and Functions

Kannaland municipality has managed to provide the following basic services to the community:

- provision of free basic services per month per household,
- water 6kl per household,
- electricity 50kwh per household,
- sanitation and refuse removal.

Chapter 1

The vision and mission of Kannaland Municipality is mainly focused on retaining the human resources of the municipality by exploiting the local attributes of the municipality.

The vision and mission of the Municipality are as follows:

Vision: “To be the place of Choice”

Mission:

- Encouraging self-reliance.
- Ensure co-ordination and collaboration of various stakeholders in the delivering of development in a sustainable manner.
- Promote a healthy and vibrant community with high moral standards.
- Unlock the development potential of the area particularly tourism and indigenous knowledge and mobilizing investment.
- Ensure everyone will be active in the economy and utilize technology to the advantage of the municipality.
- Attract and keep a highly skilled work force.

Kannaland Municipality’s key values are:

- Dignity
- Respect
- Trust
- Integrity
- Honesty
- Diligence

Chapter 1

1.3.2. POPULATION AND ENVIRONMENTAL OVERVIEW

1.3.2.1. POPULATION

The municipality has the smallest population (24 767 people, Census 2011) and economy in the Eden District. According to Census Survey 2011, the population of Kannaland is 24 767, with 84.6% being coloured, 9.9% white, 4.7% black, 0.3% Indian/Asian and 0.5% other. According to Census Survey 2011, the total number of households are 6 212.

The table below indicates a total population of 22 821 in 2001 and a total population of 24 767 in 2011 in the Kannaland area

	Census 2001	Census 2011
Population	22821	24767

Table 2 - Population - Census 2001/2011 - reference to SDF table 3.3.1.1

The table below shows the population distribution as per the 2011 census information.

Town	Population (2011)
Ladismith	7 127
Zoar	4 659
Calitzdorp	4 284
Van Wyksdorp	833
Rural	7 864
TOTAL	24 767

Table 3: Population distribution levels Census 2001/2011– reference to SDF table 3.3.1.2

The annual growth rate of the population between 2001 and 2011 was 0.85%. This positive growth rate indicates that more people are settling in the municipality area, however at a very slow rate. Careful planning and budgeting has to be done to ensure sustainable Urban settlements within the municipality.

The most populous areas of the municipality are in Ladismith, Calitzdorp, Zoar and in Van Wyksdorp.

1.3.2.2. AGE GROUPS

Chapter 1

The municipality has a relatively young population with the highest number of unemployment between the ages of 15-30 years. This remains a critical area for the municipality to focus on particularly in partnership with its social partners (Government and NGO's) and in the context of its economic and social development programs.

According to the 2011 census information, the majority of the population (63.5%), which are between the ages of 15 and 65, is potentially economically active.

Kannaland Municipality	AGE					Total
	0-4	5-14	15-34	35-65	>65	
2011	2452	4666	7487	8241	1921	24767
% of Total	9.90%	18.84%	30.23%	33.27%	7.76%	100%
Source: Statistics SA						T 1.2.2

Table 4: Age Groups information - Census 2001/2011 - reference to SDF table 3.3.1.4

1.3.2.3. EDUCATION LEVELS

Educational facilities are largely clustered around the settlements of Ladismith, Calitzdorp, Van Wyksdorp and Zoar. No educational facilities are available in Anysberg and Plathuis in the west and in Kraaldorings, Badshoogte and Vleirivier in the eastern parts of the municipality.

	2001	2011
No schooling	1660	1115
Some primary	4378	7550
Completed primary	1634	2033
Some secondary	3826	7312
Grade 12	1683	3016
Higher	766	656

Table 5: Education levels Census 2001/2011– reference to SDF table 3.3.3.1

Chapter 1

Educational facilities are indicated in the figure below.

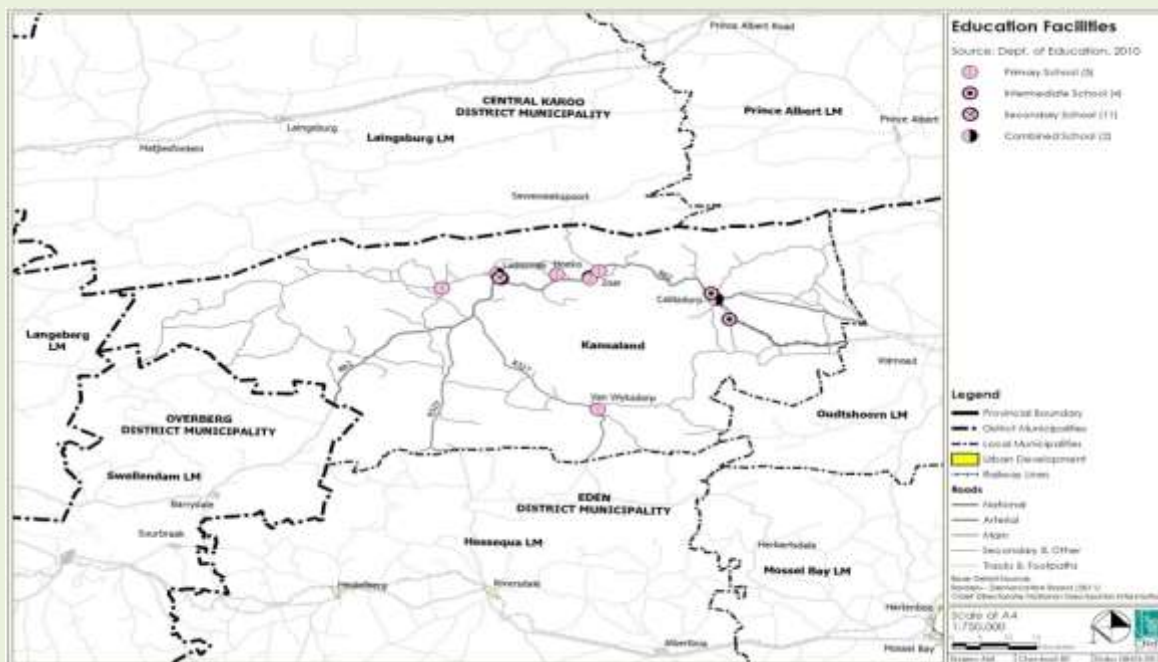


Figure 1: Education facilities – as indicated in SDF figure 3.3.3.1

1.3.2.4. EMPLOYMENT AND UNEMPLOYMENT

The table below indicates a slight increase in the labour force between 1996 and 2011. The labour force participation rate also decreased between 1996 and 2001 and then decreased to approximately 48% in 2011. This indicates that less than half of the total work force between the ages of 15 and 65 are employed or actively seeking employment. The table also indicates that there were a total of 6344 people employed in 1996. This figure increased to 6345 in 2001 and decreased to 6271 in 2011. This is noteworthy since the labour force decreased by 74 people.

	Total Population aged 15 - 65	Labour force	LFPR%	Employed	Unemployed	Unemployment rate (%)
1996	11909	7405	62.2	6344	1061	14.3
2001	14622	7365	50.4	6345	1020	13.8
2011	15728	7587	48.2	6271	1316	17.3

Table 6: Employment and Unemployment Census 2001/2011– reference to SDF table 3.3.4.1

The table below indicated the employment as indicated in the Spatial Development Framework figure 3.3.4.1

Chapter 1

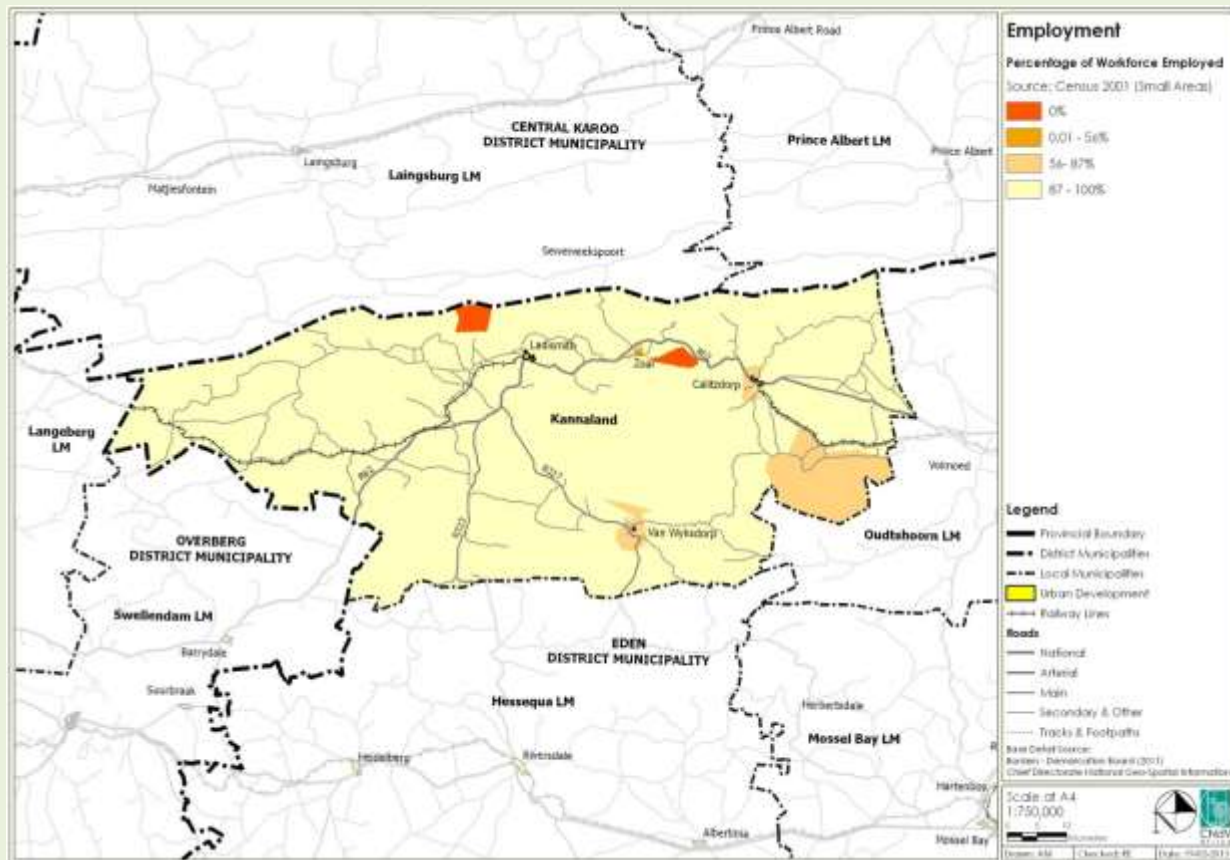


Figure 2: Employment levels – as indicated in SDF figure 3.3.4.1

1.3.2.5. HOUSEHOLDS

The 2011 census information indicated that in general, the Kannaland income levels of households are in the lower middle-income categories. The majority of households earn between R800 and R12 800 per month. The table below shows the household income per different income category. This indicates that approximately 55% of households earned less than R4 800 per month in 2011. Almost 67% of households in the municipal area earned between R800 and R6 400 per month and approximately 8% of the households did not receive any form of income in 2011.

Chapter 1

The figure below indicates the household information.

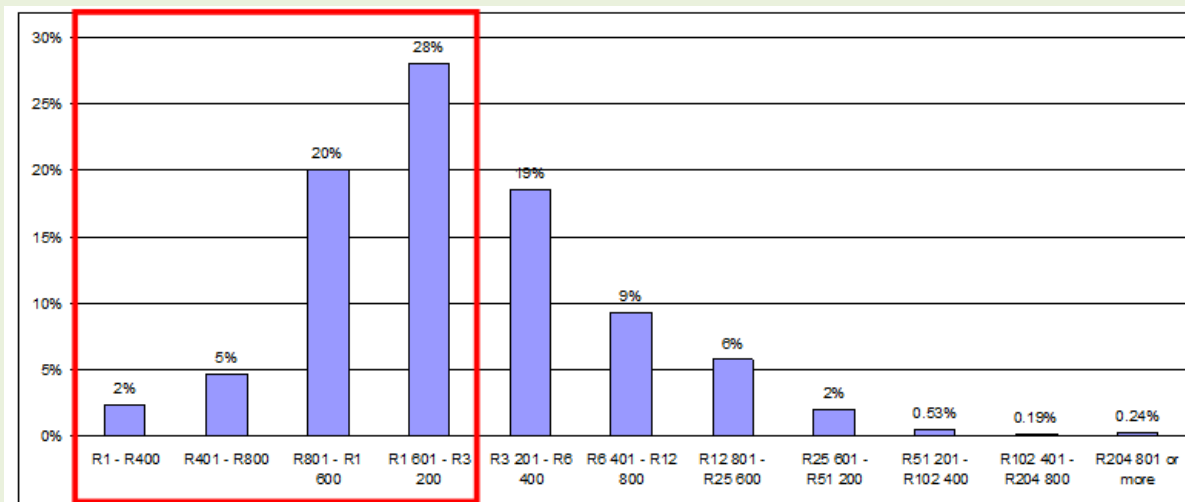


Figure 3: Household information – refer to figure 3.3.4.6 in SDF

Initiatives are required to increase the labour force participation rate (LFPR) which was at 48.8% in 2011 (Census, 2011).

Economic indicators SA9							
Description of economic indicator	Basis of calculation	1996 Census	2001 Census	2007 Survey	2011/12	2012/13	2013/14
Demographics							
Population							
Females aged 5 - 14		–	–	–	–	–	–
Males aged 5 - 14		–	–	–	106	108	113
Females aged 15 - 34		–	–	–	128	132	141
Males aged 15 - 34		–	–	–	193	204	221
Unemployment		–	–	–	234	252	275
Number of households in municipal area					–	–	5812
Number of poor households in municipal area					–	–	1689

Chapter 1

Table 7 Economic indicators - (SA9)

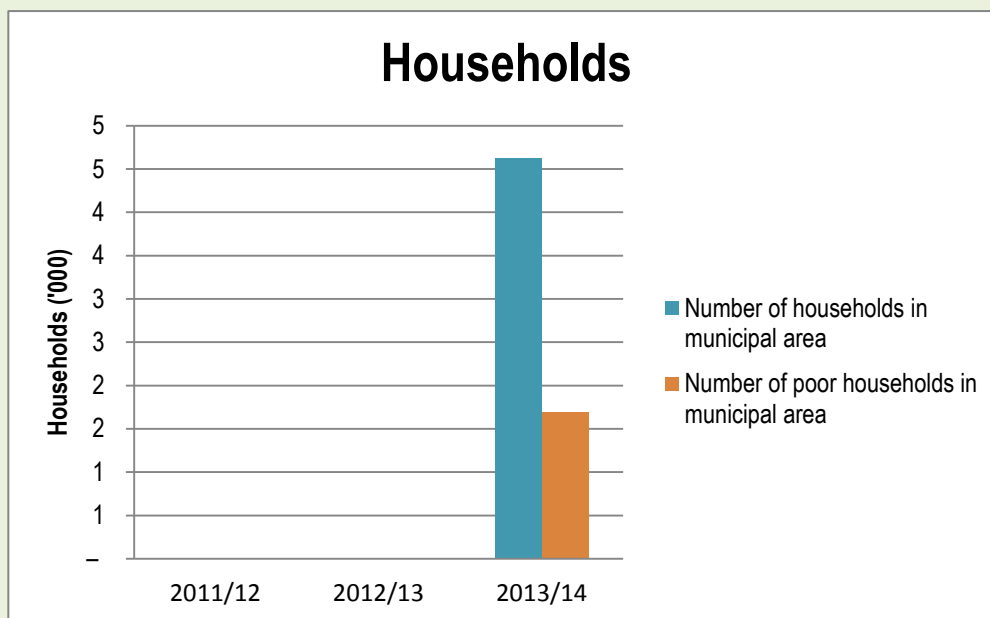


Figure 4 - households in municipal area

Overview of Neighbourhoods within Kannaland Municipality (Census 2011 information)

Settlement Type	Households	Population
TOWNS		
Ladismith	1036	3742
Zoar	1236	4659
Calitzdorp	1009	4284
Van Wyksdorp	208	833
Sub-Total	3489	13518
TOWNSHIPS		
Nissenville	844	3385
Sub-Total	844	3385
Rural settlements / Informal settlements	1878	7864
Sub-Total	1878	7864
Total	6211	24767
	T 1.2.6	

Table 8 - Overview of Neighborhoods within Kannaland Municipality (Census 2011 information)

Chapter 1

1.3.2.6. ENVIRONMENT

The municipality also has the smallest economy in the region. The four largest sector contributors to GDP are Agriculture (34.0%), General Government services (20.4%), Finance and Business services (11.0%), and the manufacturing sector (10.3%).

The climate in Kannaland is known for its hot and dry summer days. The average annual rainfall is about 270 mm, with rainfall occurring throughout the year. The average midday temperatures range from 16.6°C in July to 29.6°C in January and the mercury does drop to 3.2°C during winter nights.

The municipal area is very popular amongst domestic and foreign tourists for its rural rustic Karoo scenery. Our unique offerings in the heart of the Klein Karoo, the local top class brandy and to class cheese industries, is an attractive tourist destination for local and foreign tourist who will and can enjoy trying new delicacies. An important role and function of the municipality is to balance the need for development with the need to reserve the fauna and flora which is an important leverage within the agriculture and tourism industry. The area is very popular amongst artists, cyclists and off-road enthusiasts who come here for untouched natural beauty. The municipality has a difficult task to balance the interest of the natural environment with the need to promote development which will address the socio under development, infrastructural backlogs and the need to promote investment inflows to the area. The Spatial Development Framework (which is reflected in the IDP) will be one of the key strategic tools with which the municipality will balance these competing interests.

Kannaland area has been experiencing more regular flooding over the past few years. The year under review Kannaland has been declared twice as disaster area?

The following protected areas are located within the Municipality:

- Anysberg Nature Reserve (National);
- Rooiberg Nature Reserve (National);
- Groenfontein Nature Reserve (National);
- Groot Swartberg Nature Reserve (National);
- Vaalhoek Nature Reserve (National);
- Klein Swartberg MCA (Local); and,
- Rooiberg MCA (Local).

Chapter 1

The bio-profile of the Kannaland Municipal area is as follows:

Size of municipality	475 807.9ha
Areas remaining natural	362 408.9ha (76.2%)
Areas where no natural habitat remains	113 396.1ha (23.8%)
Land-based protected areas (formal)	12 reserves covering 81911.2ha (17.2%)
Biomes	Albany Thicket 42932.9ha (8%) Fynbos 166457.5ha (35%) Succulent Karoo 266416.5ha (53%) Azonal Vegetation (3%)
Vegetation Types	17
<i>Critically endangered</i>	1 covering 3740.9ha (0.8%)
<i>Endangered</i>	None
<i>Vulnerable</i>	3 covering 11222.8ha (0%)
Water Management Areas	1
Wetlands	936 covering 983.9ha

Table 9: Bio Profile of the Kannaland Municipal area - Source: South African National

Chapter 1

1.3.2.7. BASIC SRERVICE DELIVERY CHALLENGES

The municipality has identified service delivery challenges and implemented interventions to address these areas. They are shown in the table below:

Service Area	Challenge	Interventions to address
Infrastructure: Water, roads, sanitation, electrical	Inadequate funding(Grant and Own funding)	As upgrades is the most crucial issue in the municipality. With a constraint of budget upgrading is currently hampering services that need to be attending to. More capital is needed to address this issue
	Procurement processes, budget constraints – operation and maintenance	Relevant national and provincial governmental spheres needs to intervene with local government in order to help local municipalities in this regard.
	Availability of infrastructure in remote and rural areas remains a huge problem. Out-dated infrastructure remains a challenge.	Capitalisation needs to be provided by National support in order to supply those needs in identified areas with the comfort services thus to increase revenue for the municipality
	Challenges still exist in delivering services and pursue sustainable development: 1. Water - Availability of water, especially in the summer months 2. Roads - Grant funding not adequate to maintain upgraded roads 3. Electricity - Maintaining and upgrading the ageing electricity infrastructure and managing electricity losses	Consulting Engineers must provide objective and independent advice on the development of credible Master as well operation and maintenance plans for: <ul style="list-style-type: none"> • Electricity • Water • Roads and Sanitation • Land Fill Sites • Grave yards etc Fast Track of ACIP & RBIG funding request-WWTWs & Ladismith Swart Berg Dam is requested by the municipality and was raised at the Joint planning Initiative.
Housing	Challenges exist with regard to the capacity of bulk infrastructure services resulting in significant increases in housing waiting lists Great demand for low cost housing and GAP housing	The development and implementation of a Human Settlement Plan is currently in process with liaisons between the department and municipality. A need remains whereby funding is necessary for infrastructure and establishment for new housing developments.

Despite this, the municipality has managed to provide the following basic services:

Chapter 1

The below table indicate the portions of households with minimum level of basic services.

Proportion of Households with minimum level of Basic services			
	2011/12	2012/13	2013/14
Electricity service connections	96%	98%	99%
Water - available within 200 m from dwelling	98%	98%	99%
Sanitation - Households with at least VIP service	97%	98%	98%
Waste collection - kerbside collection once a week	98%	99%	99%

Table 10 - Proportion of Households with minimum level of Basic services

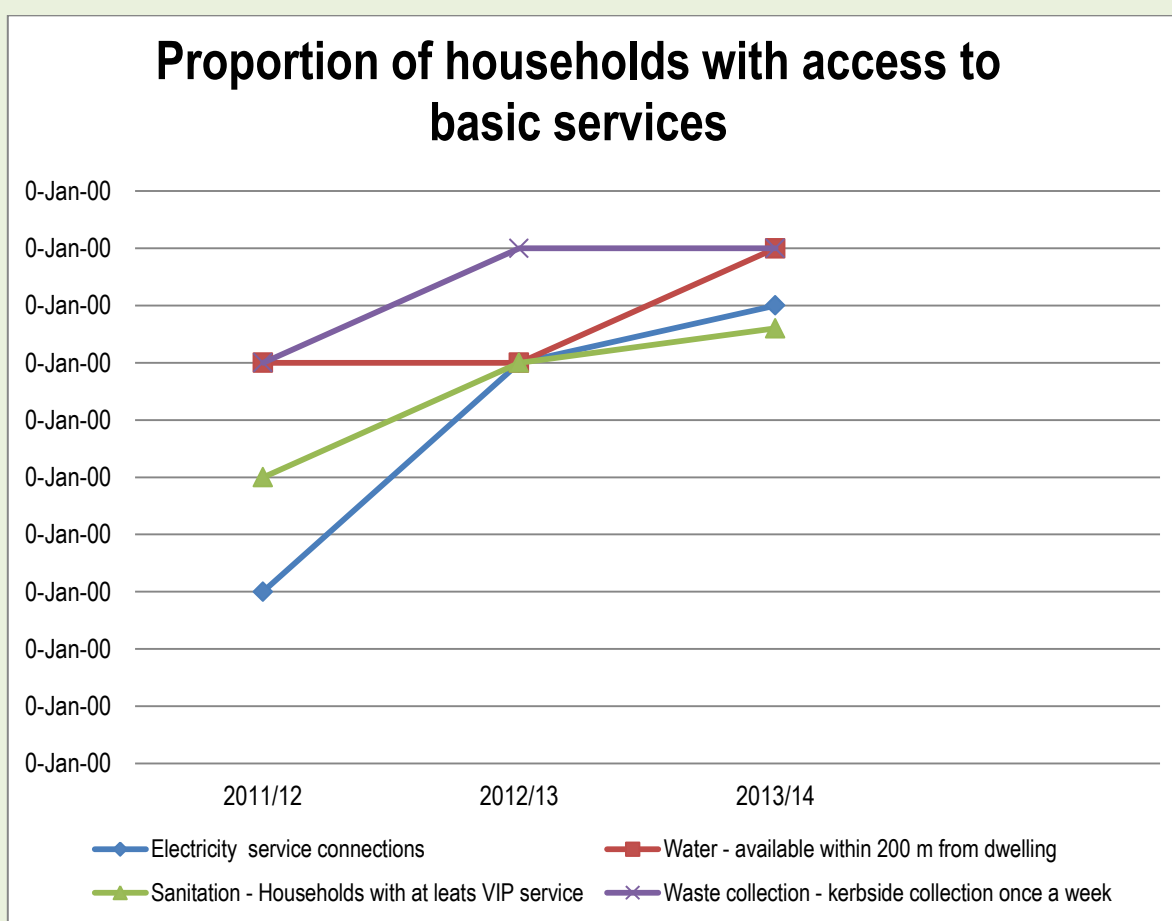


Figure 5 - Proportion of households with access to basic services

Chapter 1

PROVISION OF FREE BASIC SERVICES PER MONTH PER HOUSEHOLD

ELECTRICITY:

Indigent Households			Non-indigent Households			Households in Eskom areas		
Nr of house-holds	Units per house-hold (kwh)	Value R'000	Nr of house-holds	Units per house-hold (kwh)	Value R'000	Nr of house-holds	Units per house-hold (kwh)	Value R'000
1689	50	R49.00	0	0	R0.00	466	50	R25.61

Free services are only provided to indigent households

Table 11: Provision of Free Basic Services per month per household – Electricity

WATER:

Indigent Households			Non-indigent Households		
Nr of house-holds	Units per house-hold (kl)	Value R'000	Nr of house-holds	Units per house-hold (kl)	Value R'000
1689	6	R21.00	0	0	0

Free services are only provided to indigent households

Table 12: Provision of Free Basic Services per month per household – Water

SANITATION

Indigent Households			Non-indigent Households		
Nr of house-holds	Units per house-hold per month	Value R'000	Nr of house-holds	Units per house-hold per month	Value R'000
1689	1	R110.20	0	0	0

Free services are only provided to indigent households

Table 13: Provision of Free Basic Services per month per household – Water

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REFUSE REMOVAL

Indigent Households				Non-indigent Households					
Nr house- holds	of	Units house- month	per hold per	Value R'000	Nr house- holds	of	Units house- month	per hold per	Value R'000
1689		1		R136.00	0		0		0

Free services are only provided to indigent households

Table 14: Provision of Free Basic Services per month per household – Refuse Removal

ACCESS TO BASIC MUNICIPAL SERVICES

Households gained access to basic services during the 2013/2014 financial year:

Type of service	2013/2014
Water	5812
Sanitation	5520
Refuse removal	5812
Electricity	3360

Table 15: Households gained access to basic municipal services

Chapter 1

1.4. FINANCIAL HEALTH OVERVIEW

The table below indicates the Financial Overview for the 2013/14 financial year.

Financial Overview: 2013/14			
Details	Original budget R	Adjustment Budget R	R' Actual R
Income:			
Grants	59029250	77621176	68,607,019
Taxes, Levies and tariffs	68707700	65082166	60,527,862
Other	4895570	6394910	25,117,829
Sub Total	132632520	149098252	154252710
Less: Expenditure	132630930	155746054	146,495,276
Net Total*	1590	-6647802	7757434
* Note: surplus/(defecit)			T 1.4.2

Table 16 – Financial Overview: 2013/14

The table below indicates the Operating Ratios for the 2013/14 financial year.

Operating Ratios	
Detail	%
Employee Cost	30.21%
Repairs & Maintenance	0.07%
Finance Charges & Impairment	3.03%
T 1.4.3	

Table 17 - Operating Ratio

Chapter 1

The table below indicates the Total Capital Expenditure from 2011/12 to 2013/14 financial years.

Total Capital Expenditure: 2011/12 to 2013/14 financial years			
	R'000		
Detail	2011/12	2012/13	2013/14
Original Budget	0	21665150	34563050
Adjustment Budget	0	35730981.4	37868084
Actual	17628998	18576997	22376040
T 1.4.4			

Table 18 - Total Capital Expenditure: 2011/12 to 2013/14 financial years

The below figure illustrates the above table in a graph format.

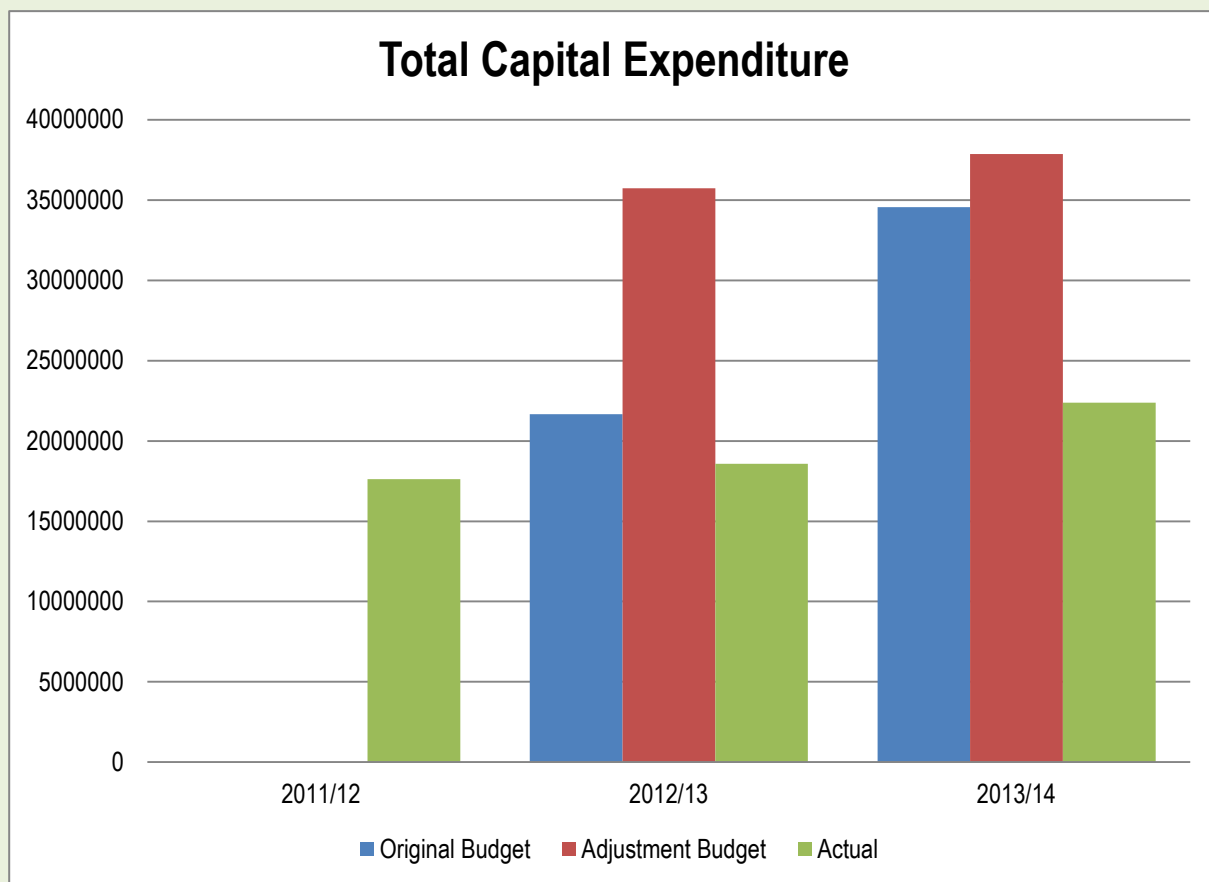


Figure 6 - Total Capital Expenditure

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

Chapter 1

Over the year under review significant strides has been made to develop a change management process to which main objective is to establish a sustainable professional service delivery culture within the Kannaland Municipality. The result of this strategic intervention tried to address the following questions:

- does the organisation have a strategy?,
- what is the functionality of each department in the organisation?,
- does the staff know what their role is and what they are responsible for,
- is there is a performance management system to use as a management tool to measure performance?,
- is there an employee wellness assistance programme to support staff to perform their duties?, and
- is there is an effective and efficient customer relations process in place.

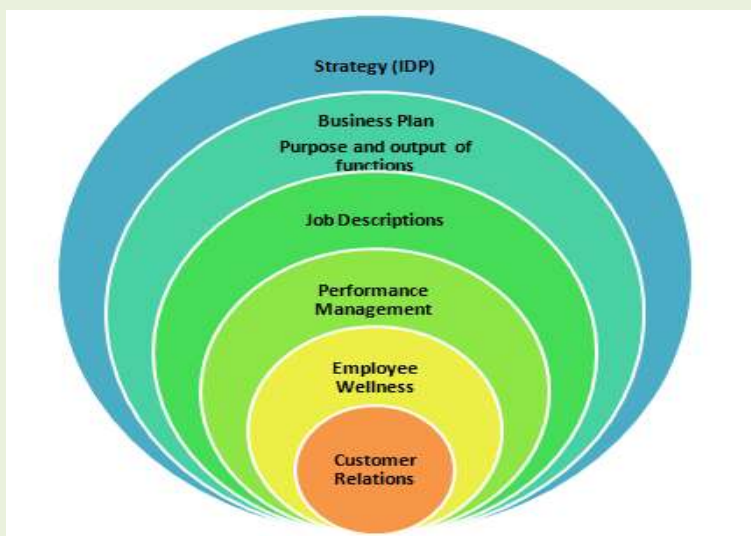


Figure 7 - Organisational Development Overview illustration of the strategic interventions.

The key actions out of this change management process resulted in following:

- Reviewed of the Macro & Micro structures of the organization approved Unions and approved by Council.
- Formal job descriptions for all staff members which was signed off by Unions
- Various Human Resources policies drafted and approved via the Local Labour Forum
- Skills & Training Audit was done and incur[orated in the Workplace Skills Plan
- An Employee wellness plan was drafted.

The above will have in future significant impact on the professionalization of the organization and which in turn will lead increased productivity and a higher quality of service to the community of Kannaland Municipality.

Chapter 1

1.6. AUDITOR GENERAL REPORT (ANNEXURE: ORIGINAL DOCUMENT)

REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT AND THE COUNCIL ON KANNALAND MUNICIPALITY REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of Kannaland Municipality set out on pages 5 to 78, which comprise the statement of financial position as at 30 June 2014, the statement of financial performance, statement of changes in net assets, the cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP), the requirements of the Local Government: Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2013 (Act No. 2 of 2013) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

Chapter 1

6. In my opinion the financial statements present fairly, in all material respects, the financial position of Kannaland Municipality as at 30 June 2014 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matters

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Significant uncertainties

8. With reference to note 38 to the financial statements, the municipality could be liable for penalties and other payments. The ultimate outcome of these matters cannot be reasonably determined and therefore no provision for any liability that may result has been made in the financial statements.

Restatement of corresponding figures

9. As disclosed in note 40 to the financial statements, the corresponding figures for 30 June 2013 have been restated as a result of errors discovered during the 2013-14 financial year in the financial statements of Kannaland Municipality at, and for the year ended 30 June 2013.

Funding of operations/financial sustainability/going concern

10. Note 42 to the financial statements indicates that Kannaland Municipality has significant uncertainty with regard to the use of the going concern assumption due uncertainty whether payments for statutory obligations will be met, litigation against the municipality, a high level of water and electricity distribution losses, a high level of poverty in the community and skills shortages. The municipality has drafted a financial recovery plan on 6 December 2013.

Material losses

11. As disclosed in note 19 to the financial statements the municipality incurred electricity losses of 16,7% or 5 717 544 units due to technical and non-technical losses.
12. As disclosed in note 19 to the financial statements the municipality incurred water losses of 41% or 614 557 kilo litres due to technical and non-technical losses. This amounted to R3 944 857 (2012-13: R3 505 038).

Material impairments

13. As disclosed in notes 3 and 5 to the financial statements, respectively, the municipality has provided for an impairment of R15 million on receivables from nonexchange transactions and an impairment of R31,1 million on receivables from exchange transactions. The impairment on receivables from non-exchange transactions is mainly due the adoption of iGRAP 1, Applying the probability test on the initial recognition of revenue.

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Additional matters

14. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unaudited disclosure notes

15. In terms of section 125(2)(e) of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon. Unaudited supplementary schedules
16. The supplementary information set out on page 79 does not form part of the financial statements and is presented as additional information. I have not audited this schedule and, accordingly, I do not express an opinion thereon. REPORT ON OTHER LEGAL AND

REGULATORY REQUIREMENTS

17. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings relevant to performance against predetermined objectives for selected objectives presented in the annual performance report, non-compliance with legislation, as well as internal control. The objective of my tests was to identify reportable findings as described under each subheading, but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

18. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected objectives in the annual performance report of the municipality for the year ended 30 June 2014:
- Objective 1: Basic municipal services available to all clients on pages 50 to 52
 - Objective 2: Sufficient capacity available on page 51
 - Objective 3: Minimised distribution losses on pages 53 to 54
 - Objective 4: Reliable, safe and well operated and maintained municipal infrastructure on pages 51 to 54
19. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
20. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned objectives. I further performed tests to determine whether indicators and targets are well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPI).

Chapter 1

21. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

22. The material findings in respect of the selected objectives are as follows:

Objective 1: Basic municipal services available to all clients
Usefulness of reported performance information

Consistency of objectives, indicators and targets

Reported objectives, indicators and targets not consistent with planned objectives, indicators and targets

23. Section 41(c) of the Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA) requires the integrated development plan to form the basis for the annual report, therefore requiring consistency of objectives, indicators and targets between planning and reporting documents. A total of 80% of the reported objectives, a total of 60% of the reported indicators and a total of 100% of the reported targets were not consistent with those in the approved integrated development plan. This was due to an understaffed performance and compliance unit at the municipality. In addition to the lack of staff skills and training in the area of performance information, management lacked in their role to adequately review performance information documents.

Measurability of indicators and targets

Performance targets not specific, measurable and indicators not well defined and verifiable

24. The FMPPI requires the following:

- Performance targets must be specific in clearly identifying the nature and required level of performance. A total of 60% of the targets were not specific.
- Performance targets must be measurable. I could not measure the required performance for 100% of the targets.
- Performance indicators must be well defined by having clear data definitions so that data can be collected consistently and is easy to understand and use. A total of 80% of the indicators were not well defined.
- Performance indicators must be verifiable, meaning that it must be possible to validate the processes and systems that produced the indicator. A total of 100% of the indicators were not verifiable.

25. This was due to an understaffed performance and compliance unit at the municipality. In addition to the lack of staff skills and training in the area of performance information, management lacked in their role to adequately review performance information documents. Reliability of reported performance information

26. The FMPPI requires municipalities to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. I was unable to obtain the information and explanations I considered necessary to satisfy myself as to the reliability of the reported performance information. This was due to limitations placed on the scope of our work due to the

Chapter 1

fact that the municipality could not provide sufficient appropriate evidence in support of the reported performance information.

Objective 2: Sufficient capacity available

Usefulness of reported performance information

Consistency of objectives, indicators and targets

Reported objectives, indicators and targets not consistent with planned objectives, indicators and targets

27. Section 41(c) of the MSA requires the integrated development plan to form the basis for the annual report, therefore requiring consistency of objectives, indicators and targets between planning and reporting documents. A total of 100% of the reported objectives, a total of 100% of the reported indicators and a total of 75% of the reported targets were not consistent with those in the approved integrated development plan. This was due to an understaffed performance and compliance unit at the municipality. In addition to the lack of staff skills and training in the area of performance information, management lacked in their role to adequately review performance information documents.

Measurability of indicators and targets

Performance targets not specific, measurable and indicators not well defined and verifiable

28. The FMPPI requires the following:

- Performance targets must be specific in clearly identifying the nature and required level of performance. A total of 63% of the targets were not specific.
- Performance targets must be measurable. I could not measure the required performance for 100% of the targets.
- Performance indicators must be well defined by having clear data definitions so that data can be collected consistently and is easy to understand and use. A total of 38% of the indicators were not well defined.
- Performance indicators must be verifiable, meaning that it must be possible to validate the processes and systems that produced the indicator. A total of 100% of the indicators were not verifiable.

29. This was due to an understaffed performance and compliance unit at the municipality. In addition to the lack of staff skills and training in the area of performance information, management lacked in their role to adequately review performance information documents.

Reliability of reported performance information

30. The FMPPI requires municipalities to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. I was unable to obtain the information and explanations I considered necessary to satisfy myself as to the reliability of the reported performance information. This was due to limitations placed on the scope of our work due to the fact that the municipality could not provide sufficient appropriate evidence in support of the reported performance information.

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Objective 3: Minimised distribution losses

Usefulness of reported performance information

Consistency of objectives, indicators and targets

Reported objectives, indicators and targets not consistent with planned objectives, indicators and targets

31. Section 41(c) of the MSA requires the integrated development plan to form the basis for the annual report, therefore requiring consistency of objectives, indicators and targets between planning and reporting documents. A total of 50% of the reported objectives, a total of 50% of the reported indicators and a total of 100% of the reported targets were not consistent with those in the approved integrated development plan. This was due to an understaffed performance and compliance unit at the municipality. In addition to the lack of staff skills and training in the area of performance information, management lacked in their role to adequately review performance information documents.

Measurability of indicators and targets

Performance targets not specific, measurable and indicators not well defined and verifiable.

32. The FMPPI requires the following:

- Performance targets must be specific in clearly identifying the nature and required level of performance. A total of 100% of the targets were not specific.
- Performance targets must be measurable. I could not measure the required performance for 100% of the targets.
- Performance indicators must be well defined by having clear data definitions so that data can be collected consistently and is easy to understand and use. A total of 100% of the indicators were not well defined.
- Performance indicators must be verifiable, meaning that it must be possible to validate the processes and systems that produced the indicator. A total of 100% of the indicators were not verifiable.

33. This was due to an understaffed performance and compliance unit at the municipality. In addition to the lack of staff skills and training in the area of performance information, management lacked in their role to adequately review performance information documents.

Reliability of reported performance information

34. The FMPPI requires municipalities to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. I was unable to obtain the information and explanations I considered necessary to satisfy myself as to the reliability of the reported performance information. This was due to limitations placed on the scope of our work due to the

Chapter 1

fact that the municipality could not provide sufficient appropriate evidence in support of the reported performance information.

Objective 4: Reliable, safe and well operated and maintained municipal infrastructure Usefulness of reported performance information

Consistency of objectives, indicators and targets

Reported objectives, indicators and targets not consistent with planned objectives, indicators and targets

35. Section 41(c) of the MSA requires the integrated development plan to form the basis for the annual report, therefore requiring consistency of objectives, indicators and targets between planning and reporting documents. A total of 29% of the reported objectives, a total of 71% of the reported indicators and a total of 57% of the reported targets were not consistent with those in the approved integrated development plan. This was due to an understaffed performance and compliance unit at the municipality. In addition to the lack of staff skills and training in the area of performance information, management lacked in their role to adequately review performance information documents.

Measurability of indicators and targets

Performance targets not measurable and indicators not well defined and verifiable

36. The FMPPI requires the following:

- Performance targets must be measurable. I could not measure the required performance for 100% of the targets.
- Performance indicators must be well defined by having clear data definitions so that data can be collected consistently and is easy to understand and use. A total of 86% of the indicators were not well defined.
- Performance indicators must be verifiable, meaning that it must be possible to validate the processes and systems that produced the indicator. A total of 100% of the indicators were not verifiable.

37. This was due to an understaffed performance and compliance unit at the municipality. In addition to the lack of staff skills and training in the area of performance information, management lacked in their role to adequately review performance information documents.

Reliability of reported performance information

38. The FMPPI requires municipalities to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. I was unable to obtain the information and explanations I considered necessary to satisfy myself as to the reliability of the reported performance information. This was due to limitations placed on the scope of our work due to the fact that the municipality could not provide sufficient appropriate evidence in support of the reported performance information.

Additional matters

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39. I draw attention to the following matters.

Achievement of planned targets

40. Refer to the annual performance report on pages 50 to 54 for information on the achievement of planned targets for the year. This information should be considered in the context of the conclusions expressed on usefulness and reliability of the reported performance information in the preceding paragraphs of this report.

Unaudited supplementary information

41. The supplementary information set out on pages 1 to 49 and 55 to 65 does not form part of the annual performance report and is presented as additional information. I have not audited this information and, accordingly, I do not express a conclusion thereon.

Compliance with legislation

42. I performed procedures to obtain evidence that the municipality had complied with legislation applicable legislation regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

Annual financial statements

43. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of non-current assets, current assets, liabilities, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected or the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

Annual performance report

44. The local community was not afforded the opportunity to comment on the final draft of the integrated development plan (IDP) before adoption, as required by section 42 of the MSA and Municipal planning and performance management regulation 9, 13(1), 13(4)(c) and 15(3).

45. The municipality did not give effect to its IDP and conduct its affairs in a manner which was consistent with its IDP, as required by section 36 of the MSA, section 21(2)(a) of the MFMA and Municipal planning and performance management regulation

46. The annual performance report for the year under review did not include measures taken to improve performance as required by section 46(1)(c) of the MSA.

Chapter 1

47. The performance management system and related controls were not in place as it did not describe and represent the processes of performance planning, monitoring, measurement, review, reporting and improvement and how it is conducted, organised and managed, as required by sections 38 of the MSA and regulation 7 of the Municipal planning and performance management regulations.
48. The annual performance agreements for the municipal manager and all senior managers are not linked to the measurable performance objectives approved with the budget and to the service delivery budget implementation plan as required in terms of section 53(1)(c)(iii) of the MFMA and section 57(1)(b) of the MSA.

Procurement and contract management

49. Goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations as required by supply chain management (SCM) regulation 17(a) and (c).
50. Sufficient appropriate audit evidence could not be obtained that bid specifications for procurement of goods and services through competitive bids were drafted in an unbiased manner that allowed all potential suppliers to offer their goods or services, as per required by SCM regulation 27(2)(a).
51. Bid specifications were not always drafted by bid specification committees which were composed of one or more officials of the municipality as required by SCM regulation 27(3).
52. Bids were not always evaluated by bid evaluation committees which were composed of officials from the departments requiring the goods or services and at least one SCM practitioner of the municipality as required by SCM regulation 28(2).
53. Bid adjudication was not always done by committees which were composed in accordance with SCM regulation 29(2).
54. Construction projects were not always registered with the Construction Industry Development Board (CIDB), as required by section 22 of the CIDB Act, 2000 (Act No. 38 of 2000) and CIDB regulation
55. Awards were made to providers who are in the service of other state institutions, in contravention of section 112(j) of the MFMA and SCM regulations 44. Similar awards were identified in the prior year and effective steps were not taken to prevent or combat the abuse of the SCM process in accordance with SCM regulation 38(1).

Conditional grants

56. The municipality did not evaluate its performance in respect of programmes or functions funded by the Municipal Systems Improvement Grant allocation, as required by section 12(5) of the DoRA.

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57. The municipality did not evaluate its performance in respect of programmes or functions funded by the Local Government Financial Management Grant allocation, as required by section 12(5) of the DoRA. Consequence management
58. Unauthorised, irregular and fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a)(ii) of the MFMA.
59. Authorisation of unauthorised expenditure was not done through an adjustment budget, as required by section 32(2)(a)(i) of the MFMA.

Asset management

60. An adequate management, accounting and information system which accounts for assets was not in place, as required by section 63(2)(a) of the MFMA.
61. An effective system of internal control for assets (including an adequate asset register) was not in place, as required by section 63(2)(c) of the MFMA.

Expenditure management

62. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.
63. An adequate management, accounting and information system was not in place which recognised expenditure when it was incurred for payments made, as required by section 65(2)(b) of the MFMA.
64. Reasonable steps were not taken to prevent unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.
65. An effective system of expenditure control, including procedures for the authorisation of funds, was not in place, as required by section 65(2)(a) of the MFMA. Revenue management
66. An adequate management, accounting and information system which accounts for revenue and debtors was not in place, as required by section 64(2)(e) of the MFMA.
67. An effective system of internal control for debtors and revenue was not in place, as required by section 64(2)(f) of the MFMA.

Internal control

68. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in findings on the annual performance report and the findings on non-compliance with legislation included in this report.

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Leadership

69. Leadership did not provide sufficient oversight over the implementation and monitoring of controls which has resulted in a breakdown in internal controls. Leadership did not exercise sufficient oversight responsibility to ensure that regular and accurate financial statements and annual performance reports are prepared. Oversight responsibility was also not extended to the processes underlying the preparation of these reports, resulting in the financial statements and annual performance report that were submitted for auditing containing pervasive material misstatements which, for the financial statements, could be corrected after audit findings were raised in this regard, but which were not detected by oversight and review processes. Leadership did not exercise sufficient oversight responsibility in monitoring compliance to laws and regulations.
70. Leadership did not have adequately documented policies and procedures to guide the operations of the municipality, resulting in numerous instances of non-compliance with the MFMA and other key legislation, relating to the annual financial statements, annual performance report and annual report, procurement and contract management, human resource management and compensation, conditional grants, revenue management, expenditure management, liability management and asset management.
71. The municipality did not have documented and approved internal policies and procedures to address the process of collection, recording, processing, monitoring and reporting of performance information.
72. Although the municipality developed an action plan to address past external audit findings, it did not adequately address the internal control deficiencies reported in the prior years, resulting in repeat findings in the areas of financial and performance reporting and compliance with laws and regulations. The municipality failed to implement the action plan prior to the commencement of the audit and no action had been taken in response to the key control visits throughout the 2014 year. This is also an indication that new appointments of staff have not yet taken responsibility to address areas of concern with regard to payables. The municipality does not have a sustainable plan to ensure that misstatements identified do not reoccur.

Financial and performance management

73. Management did not put adequate processes in place to ensure that a credible set of financial statements and annual performance report, in compliance with the reporting framework, are prepared as the internal review procedures were inadequate to identify and correct material pervasive misstatements in the financial statements and performance report and underlying records before submitting for audit. This was mainly due to the processes implemented for the preparation and finalisation of the financial statements and annual performance report being inadequate and quarterly financial statements and performance reports not being prepared to ensure the credibility of the financial statements and the annual performance report.
74. Daily transactions are not updated on a regular basis and underlying documentation is not adequately filed. This caused unexpected challenges and delays in retrieving information for audit purposes in a timely manner. This is mainly due to vacancies at the municipality and lower levels

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of staff not accepting accountability and responding to remedial action instituted by management. Management has also not monitored the action plans in this regard on a monthly basis. A thorough review was also not performed before documentation was submitted for audit purposes.

75. A lack of standard operating procedures and inadequate controls relating to the daily processing and reconciling of transactions has contributed to the lack of proper filing and maintaining of documents in support of valid, accurate and complete performance reporting.

76. Management did not review and monitor compliance with applicable laws and regulations, resulting in irregular expenditure and non-compliance with the MFMA and other key legislation.

OTHER REPORTS

Investigations

77. The Hawks are presently investigating allegations that they have received since 2011. The investigation is still pending and has not been concluded to date. The Hawks requested additional information for their investigation from the municipality on 12 August 2014. The municipality has complied with this request and has made copies of documents that were handed over to avoid limitations of scope experienced in prior audits.



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1.7. STATUTORY ANNUAL REPORT PROCESS

The Municipal Finance Management Act (MFMA) requires that a municipality prepares an Annual Report for each financial year. The Annual Report is a measure of ensuring that there is regular, impartial feedback to stakeholders and that accountability and thereby transparency is strengthened.

Section 46(1) of the Municipal Systems Act (MSA) requires municipalities to prepare a performance report for each financial year, setting out the performance of the municipality and its external service providers, providing a comparison between targets and performance in the previous financial year and improved measures taken. The annual performance report must form part of the annual report.

The municipality operates within a compliance environment, while it is critical that the municipality complies with various pieces of legislation which governs how the municipality functions, often communities do not witness these back-office functions, the reality is that tools such as this annual report and the IDP processes allow the municipality to create a living interface with the other spheres of government, local communities, organised business which acts as a reference point for future relationships.

Since the new council has been elected, there was a concerted effort to ensure compliance with relevant or applicable legislation and moving towards a clean audit. Management and the administration are committed to ensure financial sustainability resulting in effective and efficient service delivery.

N o.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise 4 th quarter Report for previous financial year	
4	Submit draft 08/09 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General.	

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N o.	Activity	Timeframe
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General assesses draft Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input.	January
T1.7.1		

Table 19 - Statutory Reporting Timeframes

Chapter 2

CHAPTER 2 – GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

Section 151(3) of the Constitution states that the council of a municipality has the right to govern, on its own initiative, the local government affairs of its community, subject to national and provincial legislation.

Political governance is the process of decision-making to formulate policy, whereas administrative governance is the system of policy implementation.

Kannaland Municipality strives towards achieving the following characteristics of efficient governance: •

- Participation;
- Transparency;
- Responsiveness;
- Consensus orientation;
- Equity;
- Effectiveness and efficiency;
- Accountability; and
- Strategic vision.

2.1 POLITICAL GOVERNANCE

The political oversight role resides within the Municipal Council which was elected during the 2011 municipal elections. In terms of the Sections 79 and 80 of the Municipal Structure Act (Act 117 of 1998) Kannaland has established three sub-committees to assist Council in carrying out its responsibilities and mandates. These committees functioned as follows:-

The Municipal Council comprises of three political parties namely: Independent Civic Organisation of South Africa (ICOSA), African National Congress (ANC) and Democratic Alliance (DA).

Chapter 2

COUNCILLORS

There are 7 Councillors which consist out of 4 ward councillors and 3 proportional councillors. Details can be obtained in Appendix A and B of the report.

2.1.1 GOVERNANCE STRUCTURE

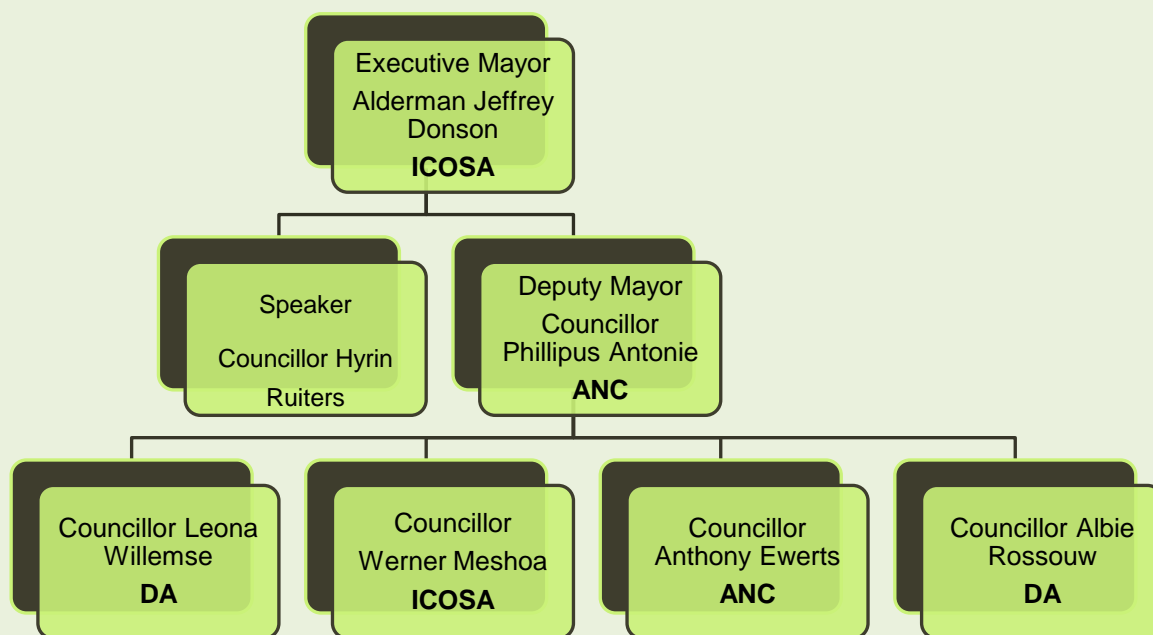


Figure 8- Governance Structure

Chapter 2

2.1.2 COUNCIL

		Position	Party
	EXECUTVE MAYOR Alderman Jeffrey Donson	Ward Councillor	ICOSA
	SPEAKER Councillor Hyrin Ruiters	Ward Councillor	ICOSA
	DEPUTY MAYOR Councillor: Phillipus Antonie	PR Councillor	ANC

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	Councillor Albie Rossouw	Ward Councillor	DA
	CHIEF WHIP Councillor Werner Meshoa	Ward Councillor	ICOSA
	Councillor Anthony Ewerts	PR Councillor	ANC
	Councillor Leona Willemse	PR Councillor	DA

Table 20 - Council

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2.1.3. MAYOR AND MAYORAL COMMITTEE:

POLITICAL DECISION-TAKING

The Executive Mayor of the Kannaland Municipality, Alderman Jeffrey Donson, is assisted by the Mayoral Committee, Executive Managers the executive arm of the Municipality. The Executive Mayor is at the centre of the system of governance, since executive powers are vested in him to manage the day-to-day affairs. This means that he has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor, delegated by the Council, and as well as to Managers appointed by Council. Although accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in concert with the Mayoral Committee. Each member is responsible for a portfolio whilst remaining accountable to the Mayoral Committee and the Executive Mayor, in particular.

The Mayoral Committee is made up of the following councillors:

Councillor	Capacity	Political Party	Ward/ PR
Mr J Donson	Mayor	ICOSA	Ward
Mr PJ Antonie	Deputy Mayor	ANC	PR
Mr HD Ruiters	Speaker	ICOSA	Ward
Mr. W Meshoa	Councilor	ICOSA	Ward
Mr. A Ewerts	Councilor	ANC	PR

Table 21: Mayoral Committee

2.1.4 OVERSIGHT STRUCTURES

2.1.4.1 OVERSIGHT COMMITTEE

Name	Position
Cllr L Willemse	Chairperson of Oversight Committee
Cllr W Meshoa	Member
Cllr A Ewerts	Member
Mr Dippenaar attends oversight committee as the Chairperson of the Audit Committee in an observatory capacity on behalf of the audit committee.	

Table 22: Oversight Committee

Chapter 2

The oversight committee is established in terms of Municipal Finance Management Act, section 129, and Municipal Structures Act, section 33 and section 79. Oversight Committee reviews the Annual Report and prepare a draft Oversight Report for Council.

2.1.4.2 BUDGET STEERING COMMITTEE

Name	Position
Executive Mayor: Cllr J Donson	Chairperson
Speaker: Cllr H Ruiters (Cllr responsible for financial portfolio)	Member
Municipal Manager: Morne Hoogbaard	Member
Executive Manager: Financial Services - Nigel Delo	Member
Executive Manager: Corporate Services – Hendrik Barnard	Member
Budget Office: Dis de Koker	Member
Budget Office: Chrizelda Claassen	Member
Technical Services: Leon Blignault	Member

Table 23: Budget Steering Committee

The Budget and Reporting Regulations prescribe that a Budget Steering Committee should be established to provide technical assistance to the Mayor in discharging the responsibilities as set out in Section 53 of the Municipal Finance Management Act, 56 of 2003. This committee needs to assist with the implementation of Section 53 of the MFMA Act, 56 of 2003 which includes overall oversight responsibility in order to ensure that the processes are streamlined, on track and finalized timeously

2.1.4.3 AUDIT AND PERFORMANCE COMMITTEE

Name	Position
Mr A. Dippenaar	Chairperson of Audit Committee
Dr F. La Grange	Member
Mr. S. Duiker	Member
Mr M.M Hoogbaard	Member

Table 24: Audit and Performance Committee

Chapter 2

2.1.4.4 RESPONSIBILITIES OF THE AUDIT COMMITTEE

- Advising the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality on matters relating to:
 - internal financial control and internal audits;
 - risk management;
 - accounting policies;
 - the adequacy, reliability and accuracy of financial reporting and information;
 - performance management;
 - effective governance;
 - compliance with this Act, the annual Division of Revenue Act and any other applicable legislation;
 - performance evaluation; and
 - any other issues referred to it by the municipality or municipal entity;
- Overseeing internal controls, financial reporting and compliance with regulatory matters.
- Review the effectiveness of the council's system of internal control and risk management.
- Review the financial reporting and financial statements.
- Review the internal audit function.
- Review the performance management system and reports.
- Review compliance with policies, regulations and procedures in terms of prescribed guidelines and applicable laws. Internal audit reports are submitted to the audit committee on a quarterly basis for review, through formal meetings.
- Respond to council on any issues raised by the Auditor-General in the audit report.

2.1.4.5 RISK COMMITTEE

Name	Position
Municipal Manager – Morne Hoogbaard	Chairperson of Risk Committee
Executive Manager: Finance – N Delo	Member
Executive Manager: Corporate Services – H Barnard	Member
	Risk Officer

Table 25 - Risk Committee

The Risk Management Committee is responsible for assisting the Accounting Officer in addressing oversight requirements of risk management and evaluating and monitoring the institution's performance with regard to risk management.

Chapter 2

2.1.4.6 INTERNAL AUDIT

The municipality has set up an internal audit unit (outsourced) which performs the following functions:-

- Assist the Municipal Manager and the Council to meet their objectives.
- Discharge their responsibilities by providing an independent evaluation of the adequacy and reliability of municipal information in accordance with legislative requirements.
- Develop a three year strategic and flexible annual audit plan using appropriate risk-based methodology, including any risks or control concerns identified by management and submit that plan to the Audit Committee for review and approval;
- Implement the risk-based annual audit plan, as approved covering Section 165(2) of the MFMA and as appropriate, any special tasks or projects requested by management and the Audit Committee;
- Establish policies and procedures to guide the Internal Audit Unit and direct its administrative functions.
- Advise the accounting officer and report to the audit committee on the implementation of the internal audit plan and matters relating to:
 - internal audit;
 - internal controls;
 - accounting procedures and practices;
 - risk and risk management;
 - performance management;
 - loss control; and
 - compliance to this Act, the annual Division of Revenue Act and any other applicable legislation.
- Perform other duties as may be assigned to it by the accounting officer.

2.1.4.7 AUDIT ACTIVITY CHARTER

- An Internal Audit unit has been set up and has developed an internal policy charter and is steadily working towards improving corporate governance which in the medium to long term will be expressed in the audit opinions by the Auditor.
- The baseline from which the municipality has been where the policy environment practices have been very poor due to legacy issues.
- The Management team has set itself the task of gradually turning the ship around through focused capacity, developing the policy environment and developing a culture and practice of corporate governance.
- Actions plans on the Auditor-General audit findings were developed and maintained by the internal audit unit in conjunction with the GRAP Steering Committee. Action plans were verified for effectiveness and outstanding action plans were monitored.
- This report was reviewed at the audit committee meetings.

Follow-up was performed on previously audited areas to confirm whether the reported recommendations have been implemented alternatively other action plans have been put in place in order to determine the status of the risks identified.

Chapter 2

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The Municipal Manager is the Chief Accounting Officer of the Municipality and head of the administration. The Municipal Manager primarily serves as chief custodian of service delivery and implementation of political priorities. The Municipal Manager of a municipality is the accounting officer of the municipality and must provide guidance to political structures; political office bearers, and officials of the municipality.

The Management team and staff under the leadership of Mr. Morne Hoogbaard have brought stability and visionary leadership to the management of Kannaland Municipality. The Management team consist of:

Executive Manager: Financial Services: Mr. Nigel Delo

Executive Manager: Corporate Services: Mr. Hendrik Barnard

Council, Committees and Councillor support

Corporate Services ensures that Council, the Executive Mayoral Committee, Portfolio Committees and other standing committees meet regularly in accordance with the pre-approved schedule of meetings.

The Section also arranges special meetings, as and when required to do so. Agendas were compiled, produced and distributed in respect of all meetings to the councillors concerned. Minutes of all proceedings were recorded and safely kept for record purposes and for future reference in term of the Archive Act.

Chapter 2

2.2.1 TOP ADMINISTRATIVE STRUCTURE – TOP MANAGEMENT TEAM




	<p>Municipal Manger</p> <p>Morne Hoogbaard</p>
	<p>Executive Manager: Financial Services</p> <p>Nigel Delo</p>
	<p>Executive Manager: Corporate Services</p> <p>Hendrik Barnard</p>

Table 26 - Top Administrative Structure

Chapter 2

2.2.2 MUNICIPAL DIRECTIVES

The Kannaland municipality strategic directives are developed in line with the National, Provincial and District strategic objectives. In view of this Kannaland's strategic objectives are summarised as follows:

1. Improved infrastructure and service delivery.
2. Social Cohesion.
3. Transformation and Good Governance.
4. Reducing poverty.
5. Financial viability.
6. Economic Development

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.3 INTERGOVERNMENTAL RELATIONS

Whilst the elements of Inter-Governmental Relations are very well articulated and structured in legislation, the Kannaland Municipality has adopted the approach of hands-on interaction around the service delivery challenges which the municipality has faced on a daily basis. This has seen the municipality approaching the various structures (Overberg water, Industrial Development Corporation, National and Provincial Government Departments, etc.) as platforms which could act as a catalyst in advancing the agenda to create a stable governance structure, promote financial sustainability and service delivery through infrastructure, housing and other services.

An important structure for the municipality has been the National and Provincial Steering Committees (LGTAS), convened by Provincial Department Local Government and which creates a platform where challenges the municipality faces on a daily basis, can be identified, prioritised and fast-tracked if necessary. This structure has already yielded the following results:

- Developing a five to ten year Housing Pipeline which is included in this IDP.
- Manage and coordinate government response and programs in support of Kannaland.
- Infrastructure Capacity Support, through the Development Bank of Southern Africa, the Municipal Infrastructure Support Agency.
- The Provincial Government of the Western Cape together with the Hanns Seidel Institute supported an initiative to establish a professional culture whereby the municipality received expert advice on issues that need to be addressed in the organisation with regard to achieving optimum performance and service delivery.
- Support with Legislative financial reporting.
- Support with the development of a Waste Management Plan.
- Support with the development of the Air Quality Plan.
- Support from PAWC with development of Spatial Development Plan – Department of Environmental Affairs.
- Revenue Management (Tariff modelling 2013/14 financial year) – Provincial Treasury.
- Development of Water Management Strategy – Department of Water Affairs and SALGA.
- Ensure 100% MIG Expenditure – Department of Cooperate Governance and Traditional Affairs.

Chapter 2

- Accelerate Community Infrastructure Programme (upgrade of Zoar waste water treatment works) – Department of Water Affairs.
- Regional Bulk Infrastructure Grant (Ladismith water feasibility and dam relocation study) Department of Water Affairs.
- Funding assistance from the Provincial Department of Housing for the building of 250 low cost houses and the service of 250 plots (erven).
- Funding assistance from Department of Energy for the building of a new substation and electrification of houses in Calitzdorp.
- Assistance with securing of funding for the building of the first phase of the Thusong Centre.
- PACA (Participatory Appraisal for Competitive Advantage) programme – Provincial Department of Economic Development

IGR is an important inter-governmental structure for compliance purposes but also to ensure that Kannaland Municipal experiences and challenges are raised at these critical platforms. It is worth noting that attending these important IGR structure remains costly and this direct funding away from other services delivery issues.

In addition to this the municipality participates in structures coordinated by the Eden District Municipality, Provincial Government, National government and those of the South African Local government Association. The Kannaland Municipality also participates actively in the following IGR structures:

INTER-GOVERNMENTAL STRUCTURES (IGR)	
Premier's Coordinating Forum	Municipal Manager and Executive Mayor
Provincial Advisory Forum	Municipal Manager and Executive Mayor
Eden District Coordinating Forum	Executive Mayor & Speaker
Eden District Intergovernmental Forum	Municipal Manager, Executive Mayor and Speaker
Eden District Communication Forum	Manager Public Participation
Eden District and Provincial IDP Forums	Executive Manager Corporate Services & IDP Manager
The Local Government MTECH process	Municipal Manager and Executive Managers
District Intergovernmental Technical Forum	Municipal Manager
District Municipal Managers Forum	Municipal Manager
SALGA Steering/Sub Committees	Municipal Manager, Executive Managers and Members of the Section 80 Chairpersons
CFO Forum	Executive Manager: Financial Services as Chief Financial Officer
MIG forum	Technical Services
Eden District Public Transport Forum	Technical Services
Eden District CFO Forum Executive	Executive Manager: Financial Services as Chief Financial Officer
Eden District HR Management Forum	Manager HR & Executive Manager Corporate Services
Eden District Local Economic Development Forum	Executive Manager Strategic Services & LED Manager
District Legal Advisors Forum	Manager Legal Services
Water Forums	Technical Services
Provincial IDP Managers Forum	IDP Manager
Provincial Speakers Forum	Speaker

Chapter 2

MGRO	Accounting Officer
RBIG Coordination Forum	Accounting Officer – Technical Services

Table 27: Inter-Governmental Structures (IGR)

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.3.1 COMMUNICATION, PARTICIPATION AND FORUMS

Kannaland Municipality has a robust public participation process that is captured in our Public participation policy, which was adopted in May 2014. The process that is directed by the policy enables vigorous and constructive engagements with all social stakeholders through their participation via ward committee meeting and community feedback sessions. This is of particular importance, given the geographical size and nature of the municipal area within which community needs varies from town to town.

The result of the municipal public participation processes are designed to allow Council and management to do better long term planning and deliver a more credible IDP.

The municipality has a credible ward committee system and all wards are functional.

Chapter 2

2.3.2 WARD COMMITTEES

See Appendix C.

The ward committees in Kannaland are structured as follows:

Ward 1 Ladismith: Nissenville, Hoeko, Towerkop

Name of representative	Capacity/ entity representing
Cllr Donson	Chairperson
Ms. Elizabeth Jacobs	Senior Citizens
Mr. Daniël Mollie	Welfare
Ms. Melanie Ayslie	Religion
Mr. Past. Hendrik Rademeyer	Culture
Mr. Dennis Booysen	Safety
Ms. Surina Jafta	Sport
Ms. Brumilda Januarie	Individual
Mr. Frederick Plaatjies	Education
Mr. Dawid Rooi	Youth
Mr D Bothman	Individual

Table 28: Ward 1 – Committee

Ward 2: Calitzdorp, Bergsig, Warmbad, and Kruisrivier

Name of representative:	Capacity/ entity representing
Cllr Meshoa	Chairperson
Mrs. Merosa Valentyn	Senior Citizens
Mr. Jan Claassen	Disability
Mrs. Sophia Roman	Women
Mr. Willem Benjamin	Health
Mr. Moos Arnoldus	Individual
Mr. Bob Reinecke	Tourism
Mr. Hermanus Pretorius	Individual
Mrs. E Hess	Individual
Mrs. M Meshoa	Sport
Vacant	Individual

Table 29: Ward 2 - Committee

Ward 3 Zoar

Chapter 2

Name of representative:	Capacity/ entity representing
Cllr Ruiters	Chairperson
Mr. Reginald Booysen	Religion
Mr. Hendrik Konstabel	Agriculture
Mrs. Marisa Gibson	Education
Mrs. Martha Adendorf	Culture
Mrs. Magdalena Barry	Welfare
Mr. Lionel Rose	Businesses
Ms. Meryl Daniels	Sport
Ms. Ledonica Joon	Youth
Mr. Moegamat Arend	Individual
Ms. Karen Hermanus	Individual

Table 30: Ward 3 - Committee

Ward 4 Ladismith Town, Van Wyksdorp, Dankoord, Algerynskraal, Buffelsvlei and Gamka-Oos

Name of representative:	Capacity/ entity representing
Cllr Rossouw	Chairperson
Dr. Jaco Denkema	Health
Vacant Position	Sport
Mr. André Van der Vyver	Business
Mr. B Z Kotze	Agriculture
Past. Jacques Smith	Education
Mr. Otto La Grange	Senior Citizens
Mr. André Booysen	Safety & Security
Ds. Jimmy Frans	Religious Leaders/Sector
Mr. Johannes Wagenaar	Individual
Mr. Jonathan Jantjies	Individual

Table 31: Ward 4 - Committee

Chapter 2

2.3.3 PUBLIC MEETINGS

Public Meetings						
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Manner of feedback given to community
Ward 1 - Nissenville - Public Participation Session in Preperation of IDP and Budget	11/11/2013 12/11/2013	11	4	30	Mostly yes. Some crucial issues was identified as needs and will be address in the 2014/2015 financial year	Monthly Newsletters/IDP & Budget Report Back Meeting
Ward 2 - Calitsdorp and surrounding areas - Public Participation Session in Preperation of IDP and Budget	14/11/2013	1	4	35		Monthly Newsletters/IDP & Budget Report Back Meeting
Ward 3 - Zoar and surrounding areas - Public Participation Session in Preperation of IDP and Budget	13/11/2013	1	4	40		Monthly Newsletters/IDP & Budget Report Back Meeting
Ward - 4 Ladismith and surrounding areas - Public Participation Session in Preperation of IDP and Budget	18/11/2013 19/11/2013	1	4	20		Monthly Newsletters/IDP & Budget Report Back Meeting
Sectoral Engagement - LED forum workshop with business and emerging business in cooperation with the Independent Industrial Council	01/03/2013	0	3	5		Follow up meetings
Sectoral Engagement - Voorwaarts Kannaland Initiative workshop Business – civil society	Every 2 nd week	0	1	10	Ongoing	Follow up meetings

Table 32 - Public Meetings

Chapter 2

2.4 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	T2.5.1

Table 33 - IDP Participation and Alignment Criteria

The 5 year IDP that was reviewed in the 2013/14 financial year included the situational analysis and projects that will be attend to in each department. The Ward committee meetings were utilised as public participation processes which reached the four (4) main towns and surrounding settlements. The SDBIP were reviewed to incorporate public requirements as well as alignment with the IDP, National Objectives, Provincial Objectives and District Objectives.

Chapter 2

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

The council and management subscribe to the principles as captured in the various judge king reports. The King-report listed discipline, transparency, independence, accountability, responsibility, fairness and social responsibility as the seven primary characteristics of good governance. These traits have to be evident in municipal operations from the municipal council at the top to departmental staff at the bottom. These corporate governance principles has been critical traits in council and management turn-around strategy

2.5 RISK MANAGEMENT

In terms of section 62(i) (c) a Municipality is required to maintain an effective, efficient and transparent risk management system.

The municipality has developed risk based audit plans, which have been the result of the identification of risks, formulation of a Risk Plan, Risk Charter, and Risk Register. All the risk related plans and charters were successfully submitted via the Audit Committee to Council for adoption in adherence to legislation and governance of the municipality. The overall risk management is being championed by the management team of the municipality. Departmental champions have also been identified and will be trained on risk management principles in line with the risk management plans.

Risk Committee

Name	Position
Municipal Manager – Morne Hoogbaard	Chairperson of Risk Committee
Executive Manager: Finance – N Delo	Member
Executive Manager: Corporate Services – H Barnard	Member
Gerswin Breda	Risk Officer

Table 34: Risk Committee

Chapter 2

2.6 ANTI-CORRUPTION AND FRAUD

This document was reviewed and approved during the financial year. Proper consultation with various stakeholders including statutory structures of Council and the Audit Committee were held. Inputs from these stakeholders have been brought into consideration.

2.7 SUPPLY CHAIN MANAGEMENT

The municipality has over the three years established a functional SCM unit which consists of:

- Functional SCM Committee
- Specification Committee
- Evaluation Committee
- Bid Adjudication Committee

All grant related funded projects has been sourced through formal procurement processes to the estimated value of R53.8 million. These funds have been spent on infrastructural needs in the area of water and sanitation, the two areas which will unlock the human settlement development.

2.8 BY-LAWS

A by-law is a legal document, which enable a local authority (municipality) to implement certain powers vested in it by our constitution. Kannaland Municipality has several by-laws which give effect to its constitutional obligations. Formal processes are followed to pass a by-law which includes a public participation process and the publishing of the by-law in the Government Gazette.

By-laws Introduced during 2013/14					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
Municipal Land Use Planning		Yes	15 May 2014	No	
	Water and Sanitation Services	No		Yes	27 June 2014
	Property Rates	No		Yes	27 June 2014
	Revenue	No		Yes	27 June 2014
<i>*Note: See MSA section 13.</i>				T 2.9.1	

Table 35 - By-laws Introduced during 2013/14

Chapter 2

2.9 WEBSITES

Kannaland maintains a website externally hosted by Hetzner and resides at www.kannaland.gov.za. The website is maintained by the ICT department and the following information is hosted:

- Tenders (Current and Awarded Tenders)
- Quotations (Current and Awarded Quotations)
- Integrated Development Plan (IDP)
- Newsletters
- Notices
- Advertisements (e.g. tenders, etc)
- Spatial Development Framework
- Reporting (e.g. section 71, 72 and 51 etc)
- Supply Chain Management Documentation
- Budgets
- Performance management documentation
- Profile of Councillors
- Performance Management Contracts
- Service Delivery Budget Implementation Plan (SDBIP)
- Vacancies
- Contact Details.

The ICT department is working towards full compliance for section 75 of the MFMA.

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	YES	04/03/2014
All current budget-related policies	YES	30/05/2014
The previous annual report (2012/13)	YES	04/04/2014
The annual report (2013/14) published/to be published	NO	
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2013/14) and resulting scorecards	YES	30/07/2014
All service delivery agreements (2013/14)	NO	
All long-term borrowing contracts (2013/14)	NO	
All supply chain management contracts above a prescribed value (give value) for Year 2013/14	YES	SEVERAL DATES
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 2013/14	YES	SEVERAL DATES
Contracts agreed in Year 2013/14 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	YES	SEVERAL DATES
Public-private partnership agreements referred to in section 120 made in Year 2013/14	NO	
All quarterly reports tabled in the council in terms of section 52 (d) during Year 2013/14	YES	SEVERAL DATES
<i>Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments. T 2.10.1</i>		

Table 36 - Municipal Website: Content and Currency of Material

Chapter 3

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

This chapter indicates an accurate overview on the achievements of the municipality during the 2013/2014 financial year. The development and service delivery priorities and the performance targets set by the municipality for the following financial year and measures that were or are to be taken to improve performance will be outlined below.

The Municipality has revised and adopted its Service Delivery Budget and Implementation Plan to adhere to the SMART principles in alignment with the Integrated Development Plan and Budget for 2013/2014 financial year.

The overall planning context which informs and defines the Kannaland IDP is the National Development Plan (NDP), which was signed into power during August 2012. The NDP contains 36 objectives and 36 actions which impact directly on Local Government. The Western Cape Provincial Government's draft strategic plan: Delivering the open opportunity society for all (2010) identifies 12 strategic priorities. The Eden District Municipality has identified seven key strategic goals which are essential for the growth and development of the district. The table below indicates the strategic alignment of Kannaland Municipality's Strategic Objective with Eden District Objectives, Provincial Strategic Objectives (PSO) and National Development Objectives (NDP).

The table that follows below indicates the Kannaland Municipality's Strategic Objective with Eden District Objectives, Provincial Strategic Objectives (PSO) and National Development Objectives (NDP) as in indicated in the 2014-15 performance system.

Kannaland Objectives	Eden District Objectives	PSO	NDP Objectives / Outcomes
KPA1: To provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens	Conduct regional bulk infrastructure planning & implement projects, roads maintenance and public transport; manage and develop council fixed assets (3)	Developing integrated and sustainable human settlements (6)	Outcome 6: Efficient, competitive and responsive economic infrastructure network
KPA2: To provide adequate Services and improve our Public relations		Increasing wellness (4) Integrating service delivery for maximum impact (10)	Outcome 2: Improve health and life expectancy
KPA3: To strive towards a safe community in Kannaland through the proactive management of traffic, environmental health, fire and disaster risks	Promote sustainable environmental management and public safety (4)	Increasing access to safe and efficient transport (3) Increase safety (5)	Outcome 2: Improve health and life expectancy Outcome 3: All people in South Africa protected and feel safe Outcome 7: Vibrant, equitable and sustainable rural

Chapter 3

Kannaland Objectives	Eden District Objectives	PSO	NDP Objectives / Outcomes
			communities and food security Outcome 10: Protection and enhancement of environmental assets and natural resources Outcome 11: A better South Africa, a better and safer Africa and world
KPA4: To facilitate Economic Growth and Social and Community development	Grow the district economy (7) Healthy and socially stable communities (1)	Creating opportunities for growth and jobs (1) Improve education outcomes (2) Developing integrated and sustainable human settlements (6) Increasing social cohesion (8) Reducing poverty (9) Creating opportunities for growth and development in rural areas (11)	Outcome 1: Improve the quality of basic education. Outcome 4: Decent employment through inclusive growth Outcome 6: Efficient, competitive and responsive economic infrastructure network Outcome 8: Sustainable human settlements and improved quality of household life. Outcome 7: Vibrant, equitable and sustainable rural communities and food security
KPA5: To promote efficient and effective Governance with high levels of stakeholder participation	Promote good governance (5)	Building the best-run regional government in the world (12)	Outcome 9: A responsive and, accountable, effective and efficient local government system Outcome 12: A development-orientated public service and inclusive citizenship
KPA 6: To provide an efficient workforce by aligning our institutional arrangements to our overall strategy	Build a capacitated workforce and communities (2)	Mainstreaming sustainability and optimising resource-use efficiency (7)	Outcome 5: A skilled and capable workforce to support inclusive growth
KPA 7: To strive towards a financially sustainable municipality	Ensure financial viability of the Eden district municipality (6)	Building the best-run regional government in the world (12)	Outcome 9: A responsive and, accountable, effective and efficient local government system

Table 37 - Objectives - Kannaland/Eden district / PSO and NDP

As the emphasis was mostly on infrastructure and service delivery on water, the following highlights were achieved during the 2013/14 financial year.

Chapter 3

PROJECTS 2013/14

Performance Highlights	Status	Amount
Calitzdorp: New Bulk Water Supply	Retention	R 392,489.13
Zoar: Water Reticulation Investigation	Complete	R 57,235.33
Zoar: Water Reticulation	Phase1 Complete	R 2,796,751.43
Ladismith WWTW	Phase1 Complete	R 1,937,466.02
Van Wyksdorp: New Roads	Complete	R 112,374.17
Ladismith: Solid Waste Site Fencing	Complete	R 459,629.98
Van Wyksdorp: Sports field	Complete	R 82,024.06
Zoar: New Cemetery	Phase1 Complete	R 321,468.51
Ladismith: Nissenville: Upgrade Stoffel street	Complete	R 1,342,161.22
Zoar: Protea Park: High Mast Lights	Complete	R 1,453,694.84
Calitzdorp: Sports Field	Design/Tender	R 171,156.09
Zoar: Upgrade Sport Field Ph2	Design/Tender	R 132,299.62
Calitzdorp: Water Availability Study	Construction	R 432,582.95
Calitzdorp: Sewer Pump Station	Construction	R 695,966.65
PMU		R 546,700.00

Table 38 - Projects 2013/14 - Performance Highlights

Legislative Requirements

The Municipal Systems Act (MSA) 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) requires the Integrated Development Plan (IDP) to be aligned to the municipal budget and to be monitored for the performance of the budget against the IPD via the Service Delivery Budget Implementation Plan (SDBIP).

In terms of section 46(1) (a) a municipality must prepare for each financial year a performance report

Reflecting:

- The performance of the municipality and of each external service provider during that financial year;
- A comparison of the performances referred to in paragraph (i) with targets set for and performances in the previous financial year; and
- Measures taken to improve performance.

COMPONENT A: BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

Chapter 3

3.1. WATER PROVISION

All communities have access to basic services which means that water is available within 200 meters from their dwellings/houses. All the houses in the urban areas of Kannaland Municipal area are provided with individual water connections. Stand pipes are provided in the informal areas as a temporary emergency service. Tanker water services are provided for rural schools and rural communities on request.

Water is the sustaining source of life and hence access to safe and potable water is a priority service delivery.

There are 11 Schools and 5 Clinics that have access to water and sanitation. These are as follows:

Schools: Hoërskool Ladismith, Shalom Akademi, Marius Fransman Speelskool, Towerkop Primêre Skool, Senior Sekondêre Skool, Vanwyksdorp Primêr, Hoërskool Calitzdorp, Excelsior Skool, RP Botha Primêr, Zoar EK Primêr, and Amalienstein Primêr.

Clinics: Alan Blyth Kliniek, Vanwyksdorp, Zoar, Calitzdorp and Amalienstein

Chapter 3

The figure below indicates the water infrastructure in Kannaland.

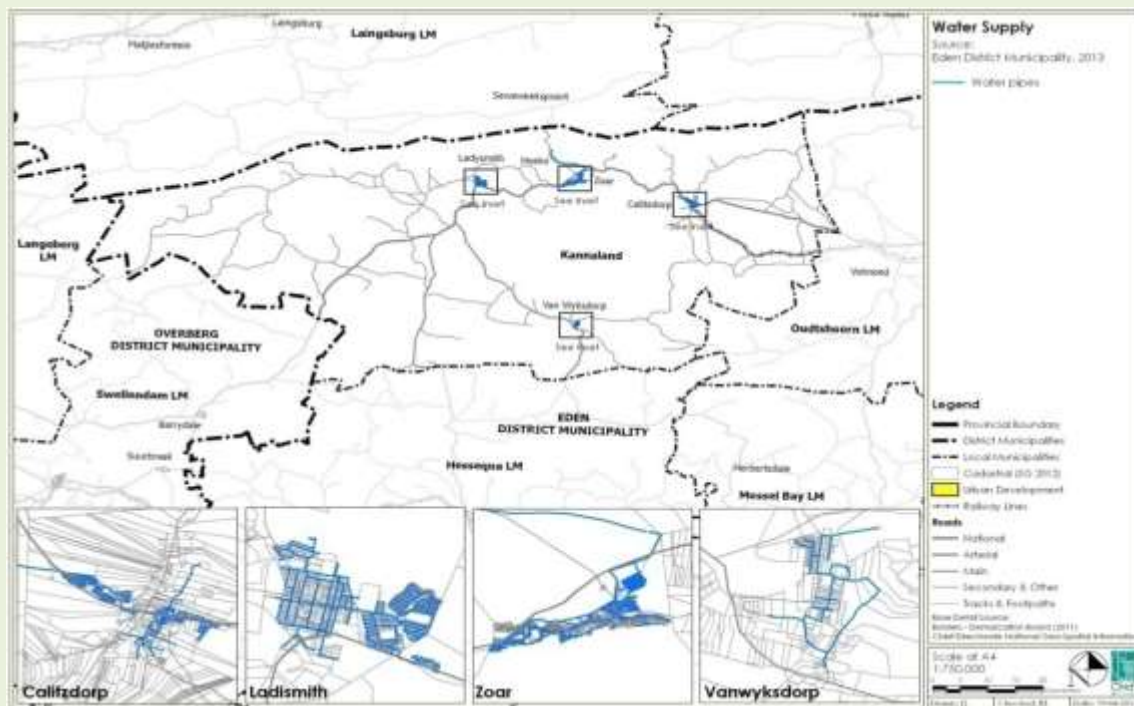


Figure 9: Water Infrastructure – as indicated in SDF figure 3.4.8.1

The table below indicates the access to water from 2012 to 2014 per financial year.

Access to Water 2013/14					
	Proportion of households with access to water points*	of with water	Proportion of households with access to piped water	of with	Proportion of households receiving 6 kl free#
2010/2011		4596	4548		1044
2011/2012	4773		4725		1300
2012/2013	5632		5548		1390
2013/2014	5812		5812		1689

Table 39: Access to water – refer to table T3.1.5 in Annual Report

Access to potable water is essential to maintain a healthy lifestyle. The Kannaland Municipality is the Water Service Authority responsible for water services and waste water services in Ladismith, Zoar, Van Wyksdorp and Calitzdorp.

Basic services are rendered to rural areas when required. The municipality has identified the need for long term water security investigation for Zoar, Calitzdorp, Van Wyksdorp and Ladismith. All communities have access to basic services which means that water is available within 200 meters from their dwellings/houses. All the houses in the urban areas of Kannaland Municipal area are provided with individual water connections.

Chapter 3

Stand pipes are provided in the informal areas as a temporary emergency service. Tanker water services are provided for rural schools and rural communities on request. Water is the sustaining source of life and hence access to safe and potable water is a priority service delivery.

Ladismith:

During the summer months, Ladismith experiences major water shortages due to the lack of sufficient storage capacity. At the end of 2012 the council adopted a water management plan which saw water restrictions being implemented and boreholes being drilled.

The municipality engaged with the Department of Water Affairs which assisted with funding to develop a Water feasibility study for Ladismith. One of the main recommendations of the study was that a new dam should be constructed for Ladismith. The Department of Water Affairs agreed with the recommendation and funding will be made available for the construction of a new dam.

At present potable water for Ladismith town is extracted from the Swartberg River. The raw water is supplied to raw water storage dams via the abstraction point and channel. The raw water is then pumped to the water works and stored in two reservoirs. Potable water enters the network system via the reservoirs by means of gravitation.

In 2012/13 financial year the municipality received funding for the Department of Water Affairs to install bulk water meters in Ladismith which resulted in addressing water losses. Bulk water meters were also installed in Zoar funded by the Municipal Infrastructure Grant. Funding was also received to equipped 3 boreholes in the 2012/13 financial year. These boreholes were equipped and tested to address water shortage in Ladismith especially during the summer month period.

Van Wyksdorp

Potable water is extracted for Van Wyksdorp from three (3) boreholes and a fountain (Die Oog), stored in a reservoir and distributed to three (3) reservoirs. All water enters the network system via the reservoirs and is distributed to consumers.

Calitzdorp

Bulk raw water to Calitzdorp is supplied via the Calitzdorp Nels Dam and gravity bulk pipeline to the water purification plant and reservoirs. All water is entered into the network system via the reservoirs and is distributed to consumers. Currently the Nels Dam is owned and managed by the Calitzdorp Irrigation Water Board. The municipality only receives 25% of the raw water from the dam.

In the 2012/13 financial year the upgrading of the main supply line from the waterworks to the pump station in Calitzdorp Town was completed as well as the construction of a new reservoir in Bergsig. The upgrading of the pump station was also completed during the 2012/13 financial year. A water availability study was conducted during the 2013-14 financial year to ensure water security for the town. Please note that this investigation is an on-going process.

Chapter 3

An investigation was conducted to establish a process to provide a direct water pipeline to the Bergsig area which will address housing developments. Funding still needs to be sourced to implement the pipeline to the relevant new housing developments in Bergsig.

Zoar

Zoar receives its water directly from the Tierkloof dam which is located in the Seweweeks Poort. The dam is used for domestic supply to the Zoar community. The Tierkloof Dam belongs to the Department of Water and Sanitation, but is managed by the municipality. A bulk raw water pipeline takes the water to the Zoar Water Treatment Works which is situated opposite the township of Zoar, next to the R62 district road. From there the water is distributed to various reservoirs. Through Municipal Infrastructure Grant funding the water reticulation network in the Zoar area will be addressed from the 2012/2013 financial year over a three year period. In the 2012/13 financial year new bulk water meters and 200 new household meters were installed in Zoar.

The second phase of this project commenced in the 2013/14 financial year and will be concluded in the 2015/16 financial year. During the 2013-14 financial year air, gate, scour and zone valves was installed. A leak detection was conducted and one zone was repaired. River crossings were replaced and repairs on network was completed.

The table below indicates the total use of water by sector in cubic meters from 2011 to 2014 per financial year.

Total Use of Water by Sector (cubic meters)				
Year	Commercial	Industrial	Domestic	Unaccountable water losses
2011/12	1380	168	55071	
2012/13	1485	191	76450	
2013/14	1195	494672	1029664	562925
			T 3.1.2	

Table 40 - Total Use of Water by Section

The figure below indicates the water use by sector in a graph illustration.

Chapter 3

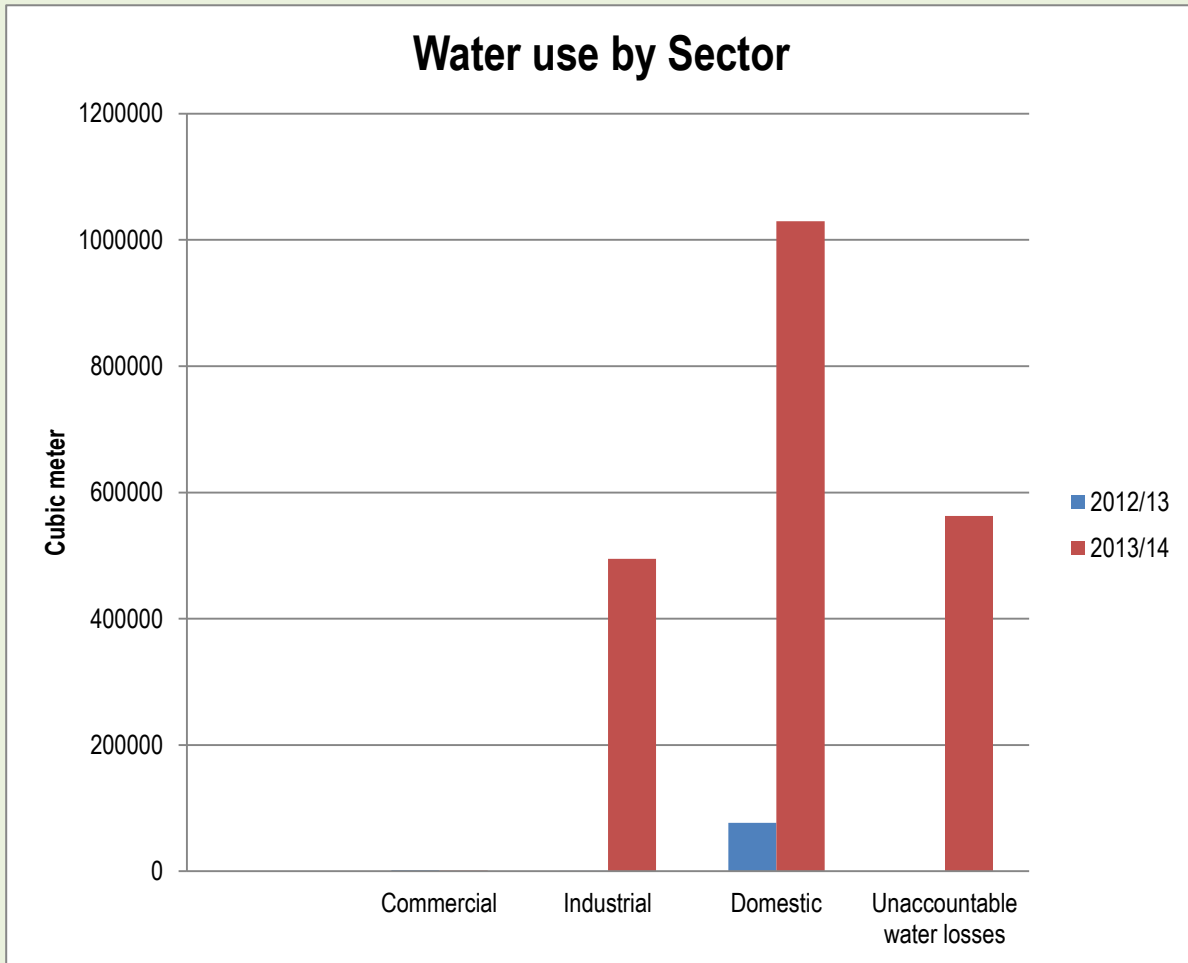


Figure 10 - Water Use by Sector

Chapter 3

The table below indicates the water service delivery levels from 2011 to 2014 per financial year.

Water Service Delivery Levels			
Households			
Description	2011/12	2012/13	2013/14
	Actual	Actual	Actual
	No.	No.	No.
<u>Water: (above min level)</u>			
Piped water inside dwelling	5,732	5,812	5,812
Piped water inside yard (but not in dwelling)	0	0	0
Using public tap (within 200m from dwelling)	0	0	0
Other water supply (within 200m)			
<i>Minimum Service Level and Above sub-total</i>	5,732	5,812	5,812
<i>Minimum Service Level and Above Percentage</i>	1	1	1
<u>Water: (below min level)</u>			
Using public tap (more than 200m from dwelling)			
Other water supply (more than 200m from dwelling)	0	0	0
No water supply			
<i>Below Minimum Service Level sub-total</i>	0	0	0
<i>Below Minimum Service Level Percentage</i>	0	0	0
Total number of households*	5,732	5,812	5,812
<i>* - To include informal settlements</i>			<i>T 3.1.3</i>

Table 41 - Water Service Delivery Levels

Chapter 3

The below table indicates the service delivery objectives in the IDP relating to Water Services.

Objective	Indicator	2012/13			2013/14			Improvement
		Target	Actual	Status	Target	Actual	Status	↑⇌↓
Access to Affordable and Reliable Municipal Infrastructure and Services	% identified proclaimed erven that have access to all municipal services	N/A	N/A	N/A	100%	100%	😊	⇒
	Master Plan for all three services reviewed or developed as planned for 2013/14	N/A	N/A	N/A	1 Master Plan status report submitted to Council	0.00	😞	⇒
	% allocated capital budget spend for upgrading of infrastructure	N/A	N/A	N/A	100%	106%	😊	⇒
	% of allocated operational budget spend on the upgrading and refurbishment of existing networks and equipment for water, electricity and sewerage	N/A	N/A	N/A	100%	100%	😊	⇒
	Water Losses maintained below 14 to 16%	N/A	N/A	N/A	Maintain below 14% to 16%	Lds: 23% Co: 39%	😞	⇒

Table 42 - SDBIP Top Layer - Water Services

Chapter 3

The table below indicates the 2013/14 financial performance for Water Services.

Financial Performance Year 2013/14: Water Services					
R'000					
Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	7,772	9,637	9,637	9,968	3%
Expenditure:					
Employees	2,792	3,486	3,550	2,696	-29%
Repairs and Maintenance	412	722	665	166	-336%
Other	3,695	3,948	3,954	5,380	27%
Total Operational Expenditure	6,900	8,157	8,169	8,242	1%
Net Operational Expenditure	(873)	(1,480)	(1,468)	(1,726)	14%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.1.8

Table 43 - Financial Performance Year 2013/14: Water Services

The table below indicates the capital expenditure of Water Services in the 2013/14 financial year.

Capital Expenditure 2013/14 financial year: Water Services R' 000					
Capital Projects	2013/14	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
	Budget				
Total All	3073466	3679056	3679056	16%	
Calitzdorp: New Bulk Water Supply	392489	392489	392489	0%	3108552
Calitzdorp: New Availability Studies	275139	432583	432583	36%	1649010
Zoar: Water Reticulation Investigation	77898	57235	57235	-36%	471802
Zoar: Water Reticulation	2327940	2796749	2796749	17%	12401260

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).

T 3.1.9

Figure 11 - Capital Expenditure - 2013/14 - Water Services

Chapter 3

3.2 WASTE WATER (SANITATION) PROVISION

Sanitation:

The majority of households are connected to waterborne sanitation systems in the Kannaland area. The other households are connected to septic tanks or conservancy tanks.

New infrastructure has been developed in Calitzdorp to address the housing project in Bergsig.

The municipality is currently in the process of upgrading the wastewater works in Ladismith to address over capacity of the current wastewater works over a period of 3 years. The pump station of the wastewater works has been upgraded in Zoar in the 2013/14 financial year.

The Kannaland Municipality is working towards supplying all households in urban settlements with a connection to a waterborne sanitation system. A sewer pump station in Calitzdorp was refurbished and upgraded during the 2013/14 financial year. The project will be completed in the 2014/15 financial year.

The figure below indicates the Waste water treatment plants in Kannaland area.

Chapter 3

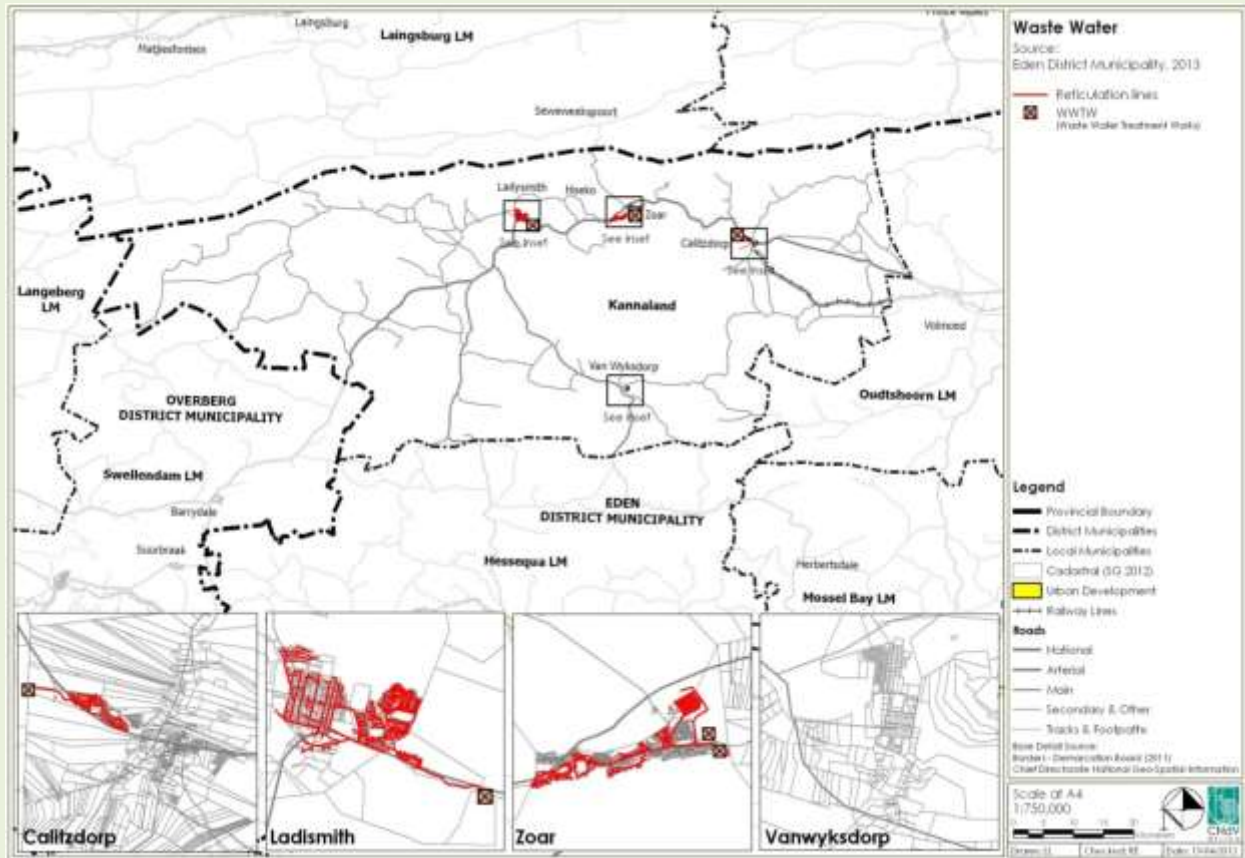


Figure 12: Waste Water Treatment plant – as indicated in SDF figure 3.4.9.1

Chapter 3

The table below indicates access to Sanitation from 2011 to 2014 per financial year.

Access to Sanitation	
	Proportion of households with access to sanitation
0	
2011/12	99
2012/13	99.8
2013/14	99.8

Table 44- Access to Sanitation

The figure below illustrates the figures in the previously mentioned table in graph format.

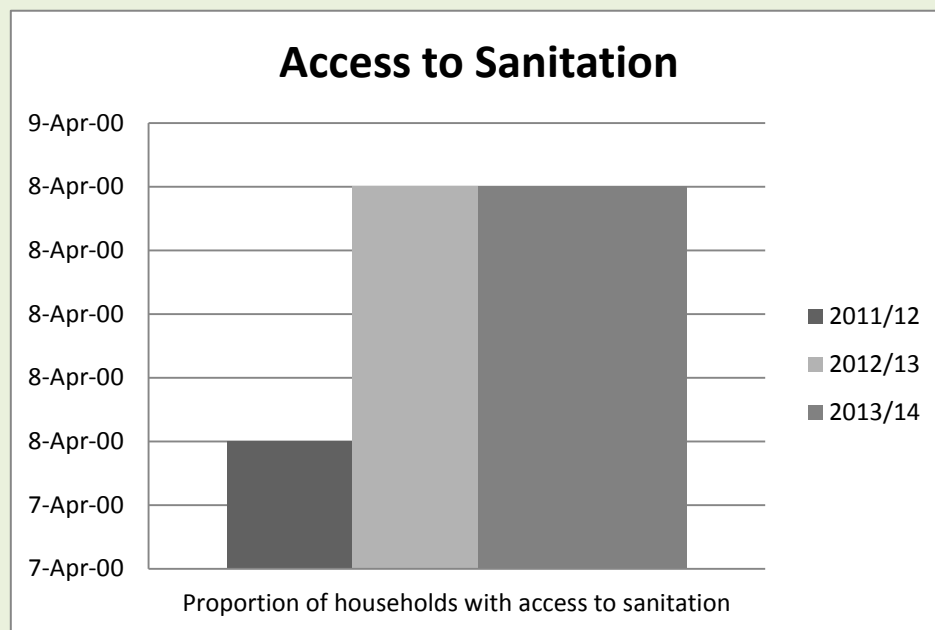


Figure 13- Access to Sanitation

Chapter 3

The below table indicates the service delivery objectives in the IDP relating to Waste Water Services.

Objective	Indicator	2012/13			2013/14			Improvement
		Target	Actual	Status	Target	Actual	Status	↑⇌↓
Access to Affordable and Reliable Municipal Infrastructure and Services	% identified proclaimed erven that have access to all municipal services	N/A	N/A	N/A	1-Jan-00	1-Jan-00	😊	⇒
	Master Plan for all three services reviewed or developed as planned for 2013/14	N/A	N/A	N/A	1 Master Plan status report submitted to Council	0-Jan-00	😞	⇒
	% allocated capital budget spend for upgrading of infrastructure	N/A	N/A	N/A	1-Jan-00	1-Jan-00	😊	⇒
	% of allocated operational budget spend on the upgrading and refurbishment of existing networks and equipment for water, electricity and sewerage	N/A	N/A	N/A	1-Jan-00	1-Jan-00	😊	⇒

Table 45 - SDBIP Top Layer - Waste Water Services

Chapter 3

The table below indicates service delivery levels for Sanitation Services from 2011 to 2014 per financial year.

Sanitation Service Delivery Levels			
*Households			
Description	2011/12	2012/13	2013/14
	Outcome No.	Outcome No.	Outcome No.
<u>Sanitation/sewerage: (above minimum level)</u>			
Flush toilet (connected to sewerage)	4,063	4,259	5,332
Flush toilet (with septic tank)	205	203	188
Chemical toilet	0	0	0
Pit toilet (ventilated)	0	90	0
Other toilet provisions (above min. service level)	0	0	0
<i>Minimum Service Level and Above sub-total</i>	4,268	4,552	5,520
<i>Minimum Service Level and Above Percentage</i>	100.0%	100.0%	100.0%
<u>Sanitation/sewerage: (below minimum level)</u>			
Bucket toilet	0	0	0
Other toilet provisions (below min. service level)	0	0	0
No toilet provisions	0	0	0
<i>Below Minimum Service Level sub-total</i>	0	0	0
<i>Below Minimum Service Level Percentage</i>	0.0%	0.0%	0.0%
Total households	4,268	4,552	5520
<i>*Total number of households including informal settlements</i>			<i>T 3.2.3</i>

Table 46 - Sanitation Service Delivery Levels

Chapter 3

The table below indicates the financial performance in terms of the expenditure in sanitation for the 2013/14 financial year.

Financial Performance Year 2013/14: Sanitation Services					
R'000					
Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	3,983	6,629	6,629	4,146	-60%
Expenditure:					
Employees	1,576	1,177	1,214	1,829	36%
Repairs and Maintenance	36	350	350	(1,323)	126%
Other	3,884	2,912	2,913	5,266	45%
Total Operational Expenditure	5,497	4,439	4,477	5,772	23%
Net Operational Expenditure	1,514	(2,191)	(2,152)	1,626	235%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					
					T 3.2.8

Table 47 - Financial Performance Year 2013/14: Sanitation Services

The table below indicates the Capital Expenditure of all sanitation projects for the 2013/14 financial year.

Capital Expenditure Year 2013/14: Sanitation Services					
R' 000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	2850919	2633341	2633341	-8%	
Calitzdorp: Bergsig: Rehabilitate Sewer Pump Station	967518	695966	695966	-39%	967518
Ladismith: Waste Water Treatment Works	1883401	1937375	1937375	3%	23000000
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					
					T 3.2.9

Table 48 - Capital Expenditure - 2013/14 - Sanitation Services

Chapter 3

3.3 ELECTRICITY

The main energy source of households is the usage of electricity. The Kannaland Municipality is responsible for the provision of electricity to Ladismith and Calitzdorp, whilst Zoar and Van Wyksdorp are supplied by ESKOM direct.

There are 11 Schools and 5 Clinics that have access to basic electricity Services. They are as follows:

Schools: Hoërskool Ladismith, Shalom Akademi, Marius Fransman Speelskool, Towerkop Primêre Skool, Senior Sekondêre Skool, Vanwyksdorp Primêr, Hoërskool Calitzdorp, Excelsior Skool, RP Botha Primêr, Zoar EK Primêr, and Amalienstein Primêr.

Clinics: Alan Blyth Kliniek, Vanwyksdorp, Zoar, Calitzdorp and Amalienstein

The estimated Energy losses for the 2013/2014 financial year for the municipality were 16.7%

Various interventions within the electricity function with specific focus on the increase in revenue has resulted in an overall average improvement in the electricity revenue income. The municipality will continue to address the electricity losses and has submitted various business plans to the Department of Energy to address the shortcomings within the electricity function with specific focus on the increase of revenue.

The limited improvements in the electricity losses were as a result of some of the following interventions:

- Conducting an Audit on all Bulk Meters
- Time of use tariffs have been implemented for bulk users
- Replacement of all bulk meters
- Conducting an Audit on all three phase electricity users (significant losses identified)
- Secured funding and Construction of the electrical substation in Calitzdorp.
- Changing of Calitzdorp electrical tariffs from rural to urban.

Future interventions planned are as follows:

- Replacement of all household meters
- Implementation of an electronic meter reading system (1 July 2014)
- Replacement of all three phased electricity meters (40% losses / defects)
- Energy efficient lighting system in council buildings
- Energy efficient lighting for pump stations at waste and water stations.

Chapter 3

- Transfer of the electricity function from ESKOM to the municipality in Zoar and Van Wyksdorp (revenue management)

The municipality has identified the need for the development of an electricity master plan to ensure efficient and effective electricity infrastructure and electricity revenue management. The municipality is also planning to develop and implement an electricity operation and maintenance plan, operational health and safety plan for electricity department and a communication strategy to communicate to council and public regarding electricity issues e.g. investments requirements, maintenance requirements, interruptions and shutdowns.

The municipality has been allocated R8 million for energy efficient and demand side management electrification programs over the 2014/15 and 2015/16 financial years respectively. In addition R15 million has been allocated through the Integrated National Electrification program over the 2014/15, 2015/16 and 2016/17 financial year.

The figure below indicates the electricity supply network in Kannaland.

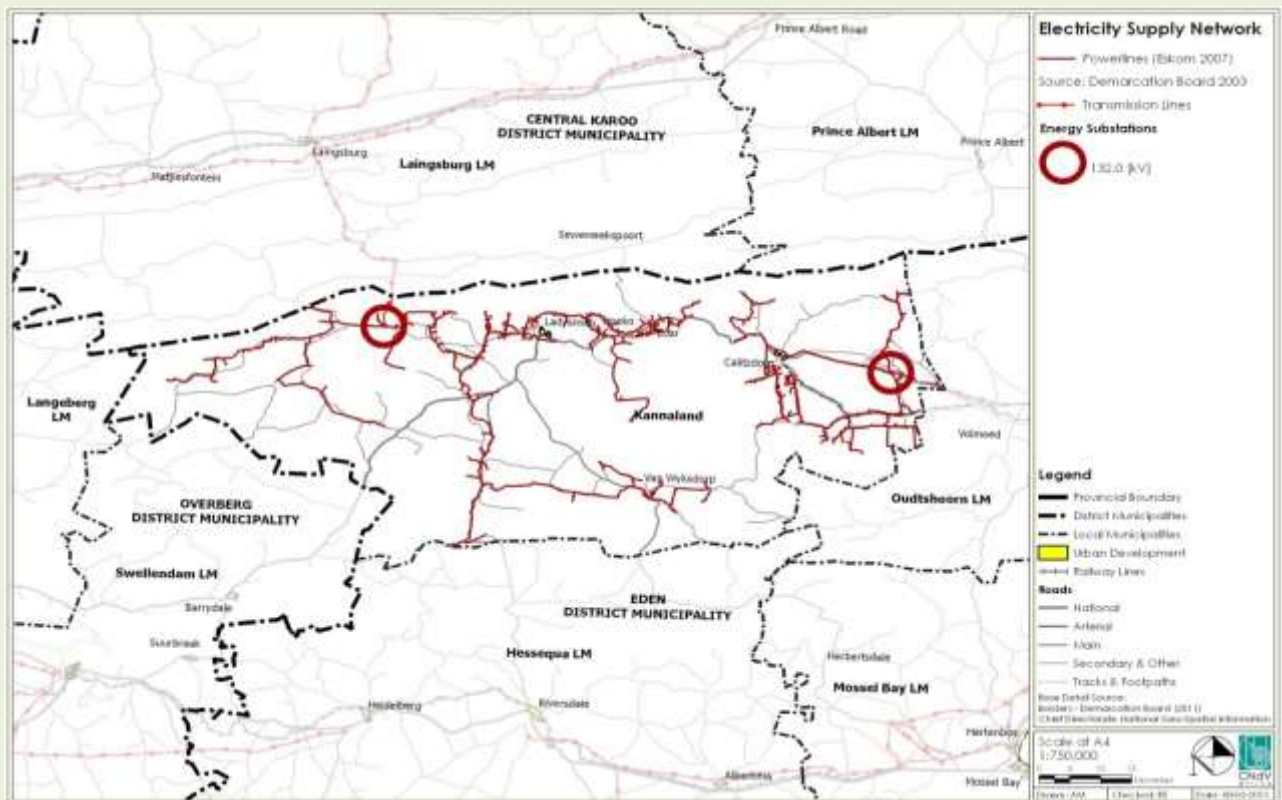


Figure 14: Electricity Supply Network – as indicated in SDF figure 3.4.10.1

Chapter 3

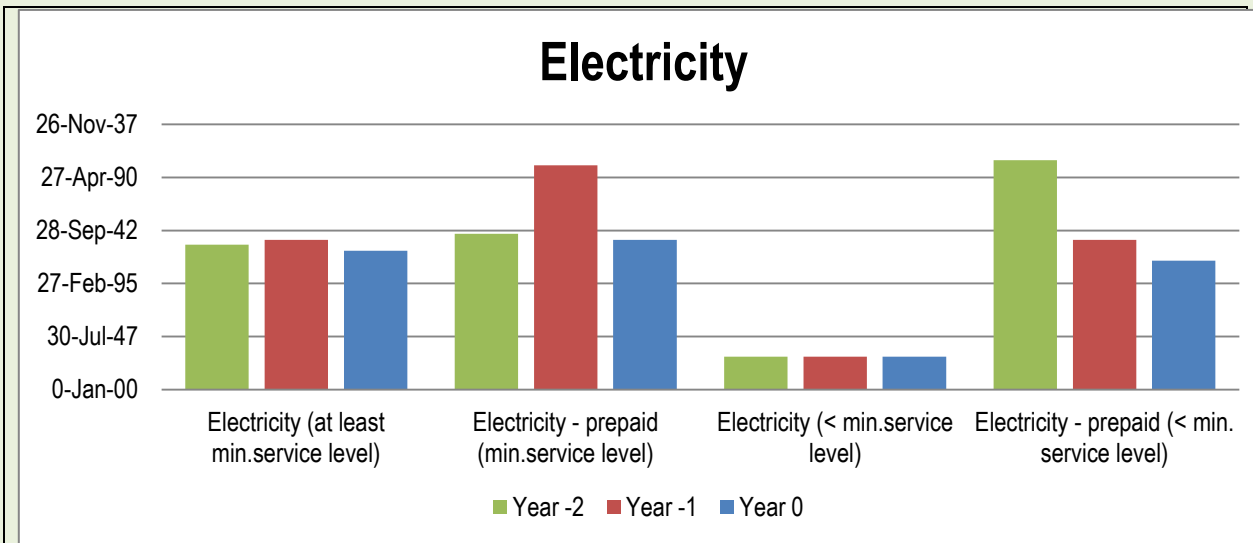


Table 49 – Electricity

The table below indicates the service delivery levels for Electricity Services from 2011 to 2014 per financial year.

Electricity Service Delivery Levels			
Households			
Description	2011/12	2012/13	2013/14
	Actual No.	Actual No.	Actual No.
<u>Energy: (above minimum level)</u>			
Electricity (at least min.service level)	1,740	1,743	303
Electricity - prepaid (min.service level)	2,642	2,869	3,057
<i>Minimum Service Level and Above sub-total</i>	4,382	4,612	3,360
<i>Minimum Service Level and Above Percentage</i>	100.0%	100.0%	100.0%
<u>Energy: (below minimum level)</u>			
Electricity (< min.service level)	–	–	–
Electricity - prepaid (< min. service level)	–	–	–
Other energy sources	–	–	–
<i>Below Minimum Service Level sub-total</i>	–	–	–
<i>Below Minimum Service Level Percentage</i>	0.0%	0.0%	0.0%
Total number of households	4,382	4,612	3,360
			T 3.3.3

Table 50 - Electricity Service Delivery Levels

Chapter 3

The below table indicates the service delivery objectives in the IDP relating to Electricity Services.

Objective	Indicator	2012/13			2013/14			Improvement
		Target	Actual	Status	Target	Actual	Status	↑⇌↓
Access to Affordable and Reliable Municipal Infrastructure and Services	% identified proven that have access to all municipal services	N/A	N/A	N/A	100%	100%	😊	⇒
	Master Plan for all three services reviewed or developed as planned for 2013/14	N/A	N/A	N/A	1 Master Plan status report submitted to Council	0.00	😞	⇒
	% allocated capital budget spend for upgrading of infrastructure	N/A	N/A	N/A	100%	106%	😊	⇒
	% of allocated operational budget spend on the upgrading and refurbishment of existing networks and equipment for water, electricity and sewerage	N/A	N/A	N/A	100%	100%	😊	⇒
	Electricity Losses maintained below 14 to 16%	N/A	N/A	N/A	Maintain below 14% to 16%	Lds:13.45 % Co: 26.62%	😞	⇒

Table 51 - SDBIP Top Layer - Electricity Services

Chapter 3

The table below indicates the financial performance in the Electricity Services unit. For the 2013/14 financial year.

Financial Performance Year 2013/14: Electricity Services					
R'000					
Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	28,836	34,508	30,883	34,713	1%
Expenditure:					
Employees	1,585	1,433	1,461	2,192	35%
Repairs and Maintenance	407	397	392	206	-93%
Other	24,389	25,876	25,883	29,597	13%
Total Operational Expenditure	26,381	27,706	27,736	31,995	13%
Net Operational Expenditure	(2,455)	(6,803)	(3,147)	(2,717)	-150%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					
T 3.3.7					

Table 52 - Financial Performance Year 2013/14: Electricity Services

The table below indicates the Capital Expenditure in electricity projects for the 2013/14 financial year.

Capital Expenditure Year 2013/14: Electricity Services					
R' 000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	1607970	1607970	1453695	-11%	
Zoar: Protea Park: New High Mast Lighting	1607970	1607970	1453695	-11%	1607970
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					
T 3.3.8					

Table 53 - Capital Expenditure - 2013/14 - Electricity Services

Chapter 3

3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

Currently the municipality operates two licenced landfill sites in Ladismith and Zoar. The waste from **Van Wyksdorp** and **Calitzdorp** is transported to Ladismith and Zoar respectively. In the 2013/2014 financial year the municipality applied for green refuse dumping for the Calitzdorp landfill site and this application is still in process.

Relevant landfill sites will be licenced and closed. The process to close and licensed relevant landfill sites is currently underway and is managed by Council's consulting engineers with the support of Provincial Government.

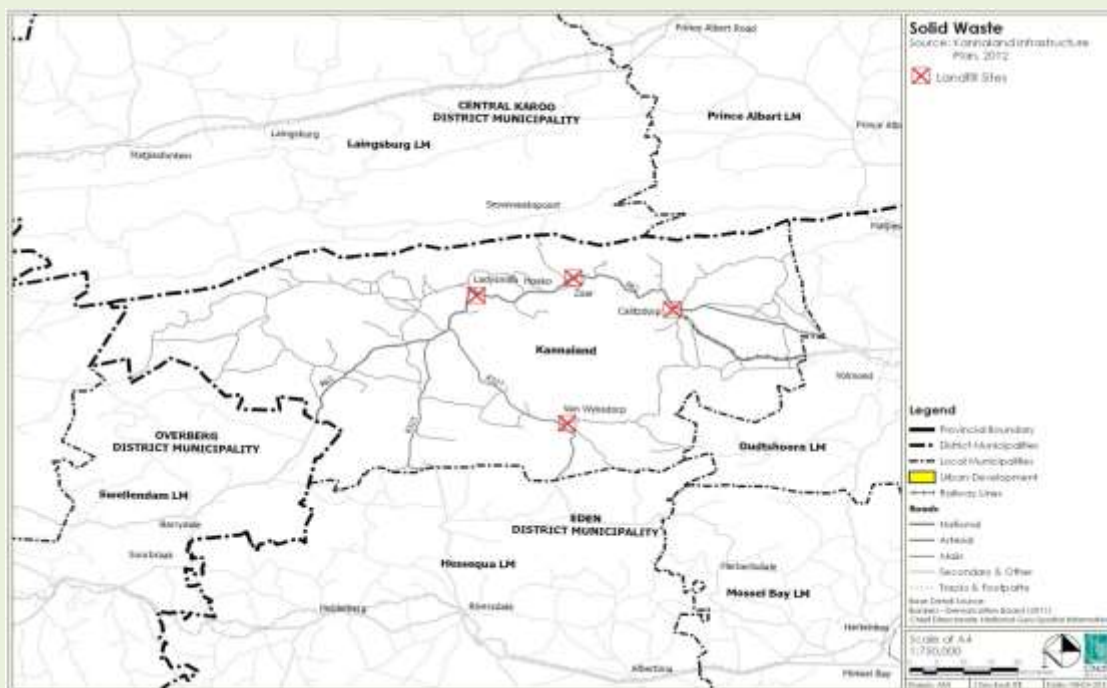


Figure 15: Landfill Sites – as indicated in SDF figure 3.4.7.1

Kannaland Municipality is in process of compiling a Waste Management Plan in partnership with the Department of Environmental Affairs that will be in line with the National Waste Strategy.

The plan covers the following goals:

- Promote, educate and raise awareness w.r.t integrated waste management
- Improve waste information management
- Ensure the effective and efficient delivery of integrated waste management services
- Promote waste minimization through the re-use, recycling and recovery of waste
- Improve regulatory compliance
- Ensure the safe and integrated management of hazardous waste
- Ensure the sound budgeting and financial management for IWM services

Chapter 3

Chapter 3

Waste Management

During 2006 the Kannaland Municipality participated in a district-wide study which resulted in an Integrated Waste Management Plan for the Kannaland area. The study established the following waste generation rates for the municipal area:

Town	Estimated population	Total estimated waste generation t/day, Business. Domestic	Total estimated waste generation/p/p/d Kg/p/day
Ladismith	9451	11.3	1.2
Calitzdorp	8157	6.1	0.75
Zoar	7768	5.8	0.75
Van Wyksdorp	647	0.5	0.75

Table 54: Waste Generation Rates – Source: Integrated Waste Management Strategy

Service Rendered

All erven are serviced at least once a week.

Area	Number domestic service points	Number commercial service points	Number of stands not services	Type of service /Frequency	Receptacles
Calitzdorp	1500	15	None	Weekly	Plastic Bags
Ladismith	1500	25	None	Weekly	Plastic Bags
Van Wyksdorp	500	1	None	Once every two weeks	Plastic Bags
Zoar	1500	2	None	Weekly	Plastic Bags

Table 55: Service Rendered – Source: Integrated Waste Management Strategy

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The table below indicates the service delivery levels for Solid Waste Services.

Solid Waste Service Delivery Levels			
Description	2011/12	2012/13	Households
	Actual No.	Actual No.	Actual No.
<u>Solid Waste Removal: (Minimum level)</u>			
Removed at least once a week	4,191	4,271	5,572
<i>Minimum Service Level and Above sub-total</i>	4,191	4,271	5,572
<i>Minimum Service Level and Above percentage</i>	94.6%	94.7%	94.6%
<u>Solid Waste Removal: (Below minimum level)</u>			
Removed less frequently than once a week	240	240	240
Using communal refuse dump	0	0	0
Using own refuse dump	0	0	0
Other rubbish disposal	0	0	0
No rubbish disposal	0	0	0
<i>Below Minimum Service Level sub-total</i>	240	240	240
<i>Below Minimum Service Level percentage</i>	5.4%	5.3%	5.4%
Total number of households	4,431	4,511	5,812
			<i>T 3.4.2</i>

Table 56 - Solid Waste Service Delivery Levels

Chapter 3

The below table indicates the service delivery objectives in the IDP relating to Waste Management Services.

Objective	Indicator	2012/13			2013/14			Improvement
		Target	Actual	Status	Target	Actual	Status	↑⇒↓
Access to Affordable and Reliable Municipal Infrastructure and Services	% Clients receive refuse removal services at least once a week (NKPI)	N/A	N/A	N/A	100%	100%	😊	⇒
	% identified clients earning less than R1100 per month receive refuse removal services at least once a week (Section 43) (NKPI)	N/A	N/A	N/A	100%	100%	😊	⇒

Table 57 - SDBIP Top Layer - Waste Management

The table below indicates the financial performance of solid waste services in the 2013/14 financial year..

Financial Performance Year 2013/14: Solid Waste Management Services					
R'000					
Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	3,279	5,815	5,815	4,543	-28%
Expenditure:					
Employees	1,188	1,257	1,314	1,112	-13%
Repairs and Maintenance	200	494	353	247	-100%
Other	1,737	1,107	1,121	5,943	81%
Total Operational Expenditure	3,125	2,858	2,788	7,302	61%
Net Operational Expenditure	(154)	(2,957)	(3,027)	2,760	207%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.4.7

Table 58 - Financial Performance Year 2013/14: Solid Waste Management Services

Chapter 3

The table below indicates the financial performance in the Waste Management Services in the 2013/14 financial year.

Capital Expenditure Year 2013/14: Waste Management Services					
R' 000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	459640	459631	459631	0%	
Ladismith: Rehabilitate Solid Waste Site	459640	459631	459631	0%	656111
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					<i>T 3.4.9</i>

Table 59 - Capital Expenditure - 2013/14 - Waste Management Services

3.5 HOUSING

The provision of human settlements is a high priority for the municipality. Challenges do exist with regard to the capacity of bulk infrastructure services with specific reference to waste water treatment works and availability water. This has delayed the municipality's ability to do long term planning with regards to the delivery of human settlements. The Department of Human Settlements (HSP) has undertaken to develop a HSP during the 2014-15 financial year for the municipality. The department will commence with the study of an HSP during the month of October 2014.

Despite not having a HSP the municipality did the following to address housing delivery issues in the previous financial year and current:

- Services 250 sites for the next phase of the Calitzdorp Housing Project;
- Updated the housing waiting lists for both lower and middle income (GAP) in all towns;
- During 2013-14 R10.5 million was allocated from the Department of Human Settlements for the erection of 100 top structures.
- An amount of R 1 million was allocated for the rectification of the vandalised houses in Zoar.
- 29 plots was received and transferred to municipality along route 62 for the development of GAP housing in Ladismith
- Submit a business plan for the servicing and building of 44 top structures in Zoar;
- Link 90 RDP houses in Van Wyksdorp to a waterborne system. R5 million was received from the department of Human Settlements during 2012-13 financial year. Aside from this long term strategic planning, the municipality will also facilitate the transfer of Rural Development Programme (RDP) houses in Ladismith. The Subdivisions have been registered with the Surveyor General and have been included in the general plan of the town.

Chapter 3

Housing Backlog and provision in housing pipeline

Town	Waiting List	GAP Housing R 3501-R 15 000	Provided in pipeline
Ladismith	1282	83	1606
Calitzdorp	1024	102	651
Zoar	520	32	145
Van Wyksdorp	200	5	100
Total	3026	222	2503

Table 60: Housing Pipeline and Pre-feasibility Report – De Kock Associates – including municipal database information as at 31 March 2014.

Chapter 3

The Municipality undertakes to conduct the planning for the following housing projects which have been developed as part of a ten year plan for housing 2012/2017 for the Kannaland municipal area:

Location	Units (Houses)	Spatial location	Funding source
Calitzdorp: Bergsig	692	-33.518499,21.667786	DoHS MIG
Ladismith-Parmalat	530	-33.489299,21.274424	DoHS MIG
Ladismith Schoongezicht	195	-33.492824,21.258094	Department of DoHS MIG
Van Wyksdorp		-33.741257,21.462672 -33.744361,21.462243 -33.74636,21.459775 -33.748483,21.456878 -33.747573,21.463187	DoHS MIG
Zoar	250		DoHS MIG

Table 61: Source: ASLA – Annexure E: Housing Projects – 15 April 2013

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The following housing projects were addressed or are planned for the 2012/13 to 2016/17 IDP period:

Project list A = Prioritized Housing Pipeline projects provided to the Department of Human Settlements

No	Ward No	Project name	Programme	Housing Opportunities	Current or Planned	Duration		Budget Available or Estimated cost of project	Funding Source
						Estimated Start Date	Estimated End Date (Fin Year)		
1.	4	Ladismith Showgrounds(350 services & 350 units)	IRDP	350	Planned	2018/19	N/A	N/A	DORA
2.	4	Ladismith Schoongezicht (170 services & 170 units)	GAP	170	Planned	2018/19	N/A	N/A	DORA and Private funding
3.	1	Ladismith Pamalat (280 services & 280 units)	IRDP	280	Panned	2018/19	N/A	N/A	DORA
4.	4	Ladismith Gap(R62)	GAP	29	Planned	2018/19	N/A	N/A	DORA and Private funding
5.	4	Ladismith GAP	GAP	TBD	Planned	2018/19	N/A	N/A	DORA and Private funding
6.	4	Ladismith Middleton Street(78 services & 78 units	GAP	78	Planned	2018/19.	N/A	N/A	DORA and Private funding
7.	2	Calitzdorp bergsig 671 services & 671 units.The remainder of the project move to 2018/19 due to bulk services	IRDP	671	Current project	Nov.2011	2013/14	R 15 090 579	DORA
8.	3	Zoar Protea Park Infill(44 services & 44 units	IRDP	44	Planned	2015/16	2015/16	R 5,280.000	DORA
9.	3	Zoar Flood damage houses 32	RP	32	Planned	2015/16	2015/16	R 1,995.000	RP Funds
10.	3	Zoar Protea Park (100 units)	IRDP	100	Planned	2020/21	N/A	N/A	DORA
11.	4	Van Wyksdorp,Remainder Erf 110(100 services & 100 units)	IRDP	100	Planned	2020/21	N/A	N/A	DORA

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Project list B = All Identified housing projects in the Kannaland Housing Pipeline

PROJECT NAME YEAR 2012/2013

	Ward No	Planned projects for 2012-2017	Housing programme	Housing opportunities	Current or planned	Estimated date start	Estimated end / proposed duration of project date/year	Budget available or estimated costs	Funding source
1.	3	Zoar Protea Park 45	PLS	45	Current	N/A	N/A	R 3 735 000	DORA
2.	4	Ladismith GAP 29	FLISP/GAP	29	Current	N/A	N/A	R 7250 000	DORA and Private funding
3.	3	Zoar Rectification project 600	FLISP	600	Planned	N/A	N/A	R 12 800 000	FLISP/GAP
4.	2	Calitzdorp Project 251	PLS	251	Current	2018/19	N/A	R 15 761000	DORA
		Sub Total cost 2012/2013						R 39 546 545	

PROJECT NAME YEAR 2013/2014

1.	2	Calitzdorp Project	PLS/FLISP	250 serviced sites & 250 Tops	Current	N/A	N/A	R 26 250 000	DORA/FLISP
2.	1	Ladismith Commage North	PLS/FLISP Phase1	250 Serviced sites	Current	N/A	N/A	R 20 750 000	DORA/FLISP
3.	1	Ladismith Commage North	PLS/FLISP Phase 2	250 Tops	Curretn	N/A	N/A	R 20 750 000	DORA/FLISP
		Sub Total cost 2013/2014						R 67 750 000	

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PROJECT NAME & YEAR 2014/2015									
1	2	Calitzdorp Project	PLS/FLISP	179 serviced sites & 179 Tops	Planned	N/A	N/A	R 18 795 000	FLISP/DORA
2	1	Ladismith Commage north	FLISP/PLS Phase 3	280 serviced sites	Planned	N/A	N/A	R 7 000 000	DORA/FLISP
3	1	Ladismith Commage North	FLISF/PLS Phase 4	280 Tops	Planned	N/A	N/A	R 23 240 000	DORA/FLISP
4	2	Calitzdorp Old Hospital site	Social	150 Tops	Planned	N/A	N/A	R 34 500 000	SOCIAL
5	4	Ladismith Showgrounds	FLISP/GAP	350 Serviced sites	Planned	N/A	N/A	R 8 750 000	DORA/FLISP
6	4	Van Wyksdorp	PLS	100 Serviced sites & 100 Tops	Planned	N/A	N/A	R 10 500 000	DORA
7	3	Zoar Protea Park Infill	PLS/FLISP Phase 1	120 Serviced sites & 120 Tops	Planned	N/A	N/A	R 3 000 000	Rectification fund
		Sub Total 2014/2015						R 79 990 000	

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PROJECT NAME & YEAR 2015/2016									
1	4	Ladismith Middle street Site	FLISP	78 Serviced sites & 78 Tops	Planned	N/A	N/A	R 8 190 000	FLISP
2	4	Ladismith Showgrounds	FLISP/GAP Phase 3	350 serviced Sites	Planned	N/A	N/A	R 8 750 000	FLISP/GAP
3	4	Ladismith Showgrounds	FLISP/GAP Phase 2	350 Tops	Planned	N/A	N/A	R 29 050 000	FLISP/GAP
4	4	Ladismith Schoongezicht	FLISP/GAP Phase 1	170 Serviced Sites	Planned	N/A	N/A	R 4 250 00	FLISP/GAP
5	4	Ladismith Schoongezicht	FLISP/GAP Phase 2	170 Tops	Planned	N/A	N/A	R 14 110 000	FLISP/GAP
6	3	Zoar Protea Park Infill	PLS/FLISP Phase 1	120 Tops	Planned	N/A	N/A	R 9 960 000	FLISP/DORA
		Sub Total 2016/2017						R 74 310 000	
PROJECT NAME & YEAR 2016/2017									
1	4	Ladismith Showgrounds	FLISP/GAP Phase 4	350 Tops	Planned	N/A	N/A	R 29 050 000	FLISP
2	4	Ladismith Caravan Park	Social	100 Serviced Sites 7 100 Tops	Planned	N/A	N/A	R 23 000 000	Social
		Sub Total 2016/2017						R 52 050 00	
		TOTAL COST						R 313 646 545	

Chapter 3

The below table indicates the service delivery objectives in the IDP relating to Housing.

Objective	Indicator	2012/13			2013/14			Improvement
		Target	Actual	Status	Target	Actual	Status	↑⇒↓
Access to Municipal Social and Economic Development Initiatives	Ensure that one accurate database is compiled to address housing needs, including farm dwellers, within the municipal area	N/A	N/A	N/A	1 accurate database for housing needs	1	😊	⇒
	Housing master and delivery plan approved and % implemented	N/A	N/A	N/A	1 plan approved and 25% implemented	0-Jan-00 A housing pipeline was developed however the Human settlement plan was not developed and funding needs to be sourced for the development of the plan.	😊	⇒
	% allocated budget spend for the building of houses	N/A	N/A	N/A	100%	100%	😊	⇒

Table 62 - SDBIP Top Layer - Housing

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

Chapter 3

The municipality will embark on a process to bring about awareness with regard to indigent support for the community. The awareness campaign will be launched in the 2014-2015 financial year. A indigent policy was developed, adopted in May 2014 and implemented to enhance the support to the poor.

The table below indicates the free basic services to low income households:

Free Basic Services To Low Income Households

	Number of households									
	Total	Households earning less than R2,560 per month								
			Free Water	Basic	Free Sanitation	Basic	Free Electricity	Basic	Free Refuse	Basic
		Total	Access	%	Access	%	Access	%	Access	%
2011/12	5,732	5,732	1,482	26%	1,482	26%	1,482	26%	1,482	26%
2012/13	5,812	5,812	1,584	27%	1,584	27%	1,584	27%	1,584	27%
2013/14	5,812	5,812	1,689	29%	1,689	29%	1,689	29%	1,689	29%
									T 3.6.3	

Table 63 - Free Basic Services to low income households

Chapter 3

The below table indicates the service delivery objectives in the IDP relating to Free basic services to households.

Objective	Indicator	2012/13			2013/14			Improvement
		Target	Actual	Status	Target	Actual	Status	↑⇒↓
Access to Affordable and Reliable Municipal Infrastructure and Services	% identified clients earning less than R1100 per month receive refuse removal services at least once a week (Section 43) (NKPI)	N/A	N/A	N/A	100%	100%	😊	⇒

Table 64 - SDBIP Top Layer - Free basic services to households

The figure below indicates the free basic household service in a graph format.

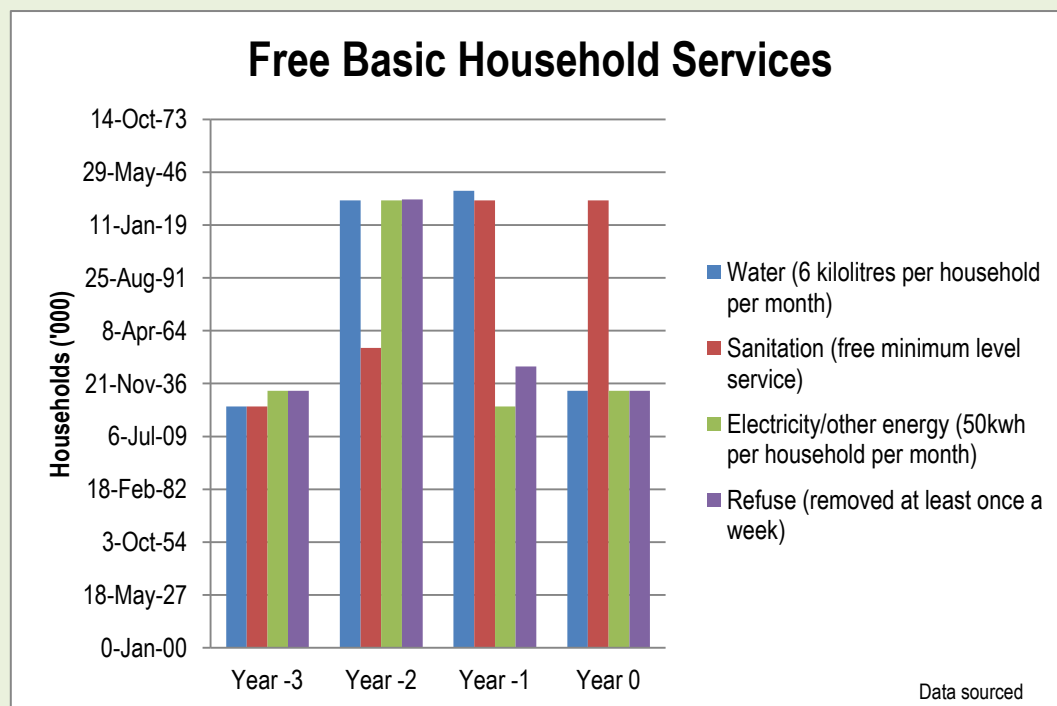


Figure 16 - Free Basic Household Services

This component includes: roads; transport; and waste water (storm water drainage).

Chapter 3

3.7 ROADS

Roads are a major contributor to the economic activities and development in any area. Kannaland experience significant backlogs that needs to be addressed due to the dependency on grant funding.

Issues that have been addressed during the year under review are as follows:

- Paving of roads in Van Wykdorp
- Rehabilitation of Kannemeyer Street in Ladismith
- Paving of Stoffel Street in Ladismith
- Repair of potholes within the municipal area

The table below indicates the gravel road infrastructure information from 2011 to 2014 per financial year.

Gravel Road Infrastructure				
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Kilometers Gravel roads graded/maintained
2011/12	0	0	0	0
2012/13	0	0	0	0
2013/14	32.2	3.2	0	3.1
T 3.7.2				

Table 65 - Gravel Road Infrastructure

The travel below indicates the tarred road infrastructure information from 2011 to 2014 per financial year.

Tarred Road Infrastructure					
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads sheeted	Kilometers Tar roads maintained
2011/12	0	0	0	0	0
2012/13	0	0	0	0	0
2013/14	61.34	0	0	1	18
T 3.7.3					

Table 66 - Tarred Road Infrastructure

The below table indicates the service delivery objectives in the IDP relating to Roads.

Objective	Indicator	2012/13			2013/14			Improvement
		Target	Actual	Status	Target	Actual	Status	↑⇌↓

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Access to Affordable and Reliable Municipal Infrastructure and Services	% allocated amount for refurbishment of roads and storm water spend	N/A	N/A	N/A	100%	71%		⇒
	% allocated budget spend for maintenance of gravel roads	N/A	N/A	N/A	100%	0% No spending on gravel roads after the flood damage. This will be initiated in the 2014/15 FY		⇒

Table 67 - SDBIP Top Layer - Roads

The table below indicates the capital expenditure in terms of road services for the 2013/14 financial year.

Capital Expenditure Year 2013/14: Road Services R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	1866215	1454536	1454536	-28%	
Ladismith: Nissenville: Upgrade Stoffel Street	1753841	1342162	1342162	-31%	1753841
VanWyksdorp: New Roads	112374	112374	112374	0%	2000000
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. T 3.7.9</i>					

Table 68 - Capital Expenditure - 2013/14 - Road Services

3.8 TRANSPORT

The municipality has developed an integrated transport plan with the assistance of the district municipality and provincial government.

The following prioritized actions are required for implementation of the proposed public transport strategies:

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- Assistance to local authorities in managing operating license applications. The EDM should provide assistance in improving communication between taxi operators and the PRE. This could include regular meetings, travel and secretariat functions.
- Identification of routes with significantly high numbers of illegal operators in order to utilize law enforcement services effectively.
- Update of the PRE EDM public transport registration database to ensure that dormant licenses are not considered and those pending applications are not included.
- Maintain close relations with the PGWC to ensure knowledge of NLTA-related processes and impact on public transport operations.

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3.8 STORMWATER DRAINAGE

Storm Water remains a major challenge for the municipality. A storm water master plan needs to be developed to address the ageing storm water infrastructure challenges. In the 2013-14 financial year the storm water systems in Van Wyksdorp and Ladismith, were upgraded as part of the roads paving project. The municipality is committed to maintain the storm water drainage systems in the Kannaland area.

Stormwater Infrastructure Kilometre's				
	Total Stormwater measures	New storm water measures	Stormwater measures upgraded	Stormwater measures maintained
2011/12	0	0	0	0
2012/13	0	0	0	0
2013/14	13.43	0.8	0.2	41 catchpits cleaned
T 3.9.2				

Table 69 - Stormwater Infrastructure

The below table indicates the service delivery objectives in the IDP relating to Roads.

Objective	Indicator	2012/13			2013/14			Improvement ↑⇌↓
		Target	Actual	Status	Target	Actual	Status	
Access to Affordable and Reliable Municipal Infrastructure and Services	% allocated amount for refurbishment of roads and storm water spend	N/A	N/A	N/A	100%	71%	☹	⇒

Table 70 - SDBIP Top Layer - Storm water

Chapter 4

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

3.9 PLANNING

Building Control

Currently the municipality has a Building Control section which is responsible for dealing with all building applications in terms of the building and planning regulations.

The Land Use Planning Ordinance, 1985 (Ordinance 15 of 1985), hereafter referred to as “LUPO”, as a 1985 piece of legislation, predates the current Constitution of the RSA and was found to be unconstitutional in many respects. The Constitution confers “municipal planning” firmly as a municipal competency whilst in LUPO many of these powers vest with the Minister.

As a result of this the Land Use Management Act, 2013 (Act 16 of 2013), hereafter referred to as “SPLUMA”, at national level, the Western Cape Land Use Planning Act, “LUPA”, and Standard by-laws for municipal land use planning, has been developed to control land use planning. This draft by-laws had been advertise for public participation. Draft “SPLUMA” Regulations were published on 4 July 2014 with closing date 4 September 2014., and are still under consideration. This process now hampering the progress of the municipal land use planning by-laws, a vital part of the new planning legislative regime. This result in a period of uncertainty with no clarity on the implementation of “SPLUMA”.

The effect of this legislation transfers the full responsibility for land use planning to municipalities. The following are the key areas addressed in the legislation:

- Drafting of municipal spatial development frameworks,
- New integrated municipal zoning schemes,
- Receive and consider all land use applications,
- Decision making on land use applications by delegation to officials and to the Tribunals to be established.
- Appeals against decisions of the delegated official or the Tribunal to the Council's appeal authority,
- Regulating time frames, notifications, confirmation of subdivision arrangements,
- Lapsing of rights
- Transgressions and enforcements.

Kannaland Municipality through the adoption of the draft standard by-law, demonstrates its commitment to ensure that town planning (zonings, subdivisions, departures and consent uses) and building (control over the erection of buildings) issues are managed effectively.

The Budget for 2014/15 makes provision for the appointment of The Manager: Urban Planning and Building Control. An appointment has not been made and there will be budgeted for the post in the 2015/16 budget again. With the appointment of a suitable qualified person this function will be according the legislative requirements for the challenges to comply.

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The Financial Recovery Plan of the municipality identifies town planning as a critical revenue stream and this has also resulted that the fee structures for town planning has been reviewed and implemented in the 2014/15 financial year. The objective behind the review of fees will ensure that there is suitable qualified staff appointed within the Town Planning and Building Control section to ensure compliance with the relevant legislation.

The reviewed fee structure include the following:

- Applicable fees for Town Planning, which include : Subdivisions, Rezoning, Departures and Consent Uses, as all this have an impact on the bulk services.
- Capital contributions towards the supply of services.
- Building plan fees.
- Penalties for “Illegal structures”.

Spatial Planning

The Council adopted a Spatial Development Framework (SDF) on 25 November 2013, after an intensive Public Participation Process.

The purpose of the SDF is to give guidance for future development in each town, and is limited within the urban edge of each town. The SDF is a living document and should be reviewed regularly.

Applications for Land Use Development						
Detail	Formalisation of Townships		Change in Land Use		Subdivisions	
	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14
Planning application received	-	-	10	15	11	7
Determination made in year of receipt			9	10	9	7
Determination made in following year			1	2	2	0
Applications withdrawn			0	0	0	0
Applications outstanding at year end			1	3	2	0
					T 3.10.2	

Table 71 - Applications for Land Use Development

3.10 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

Local Economic Development Strategy (LED)

The municipality has identified growing the Kannaland area's economy through its infrastructural development program, human capital development plan, and inter-sectoral planning, as critical drivers to develop sustainable communities who can benefit from good municipal services.

During May 2013 the municipal council has adopted its Local Economic Development Strategy funded by the Industrial Development Corporation (IDC). The municipality has been awarded a grant of R 1.6 million from the Industrial Development Council for the establishment of a LED Forum, a LED Implementation framework and a number of Economic Development programmes under the IDC, spatial programme which will be rolled out over the next few years in partnership with the “Voorwaarts Kannaland Initiatief” (KVI).

In addition to this, the municipality has secured the support from the Provincial Government with the PACA (Participatory Appraisal for Competitive Advantage) approach, which uses the LED facilitation methodology. The methodology's aim is to identify practical activities / projects that are aimed to stimulate local economic development through internal and external funding sources. Council has also approved the PACA strategy. The PACA strategy is an extension of Council's Local Economic Development Strategy.

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Tourism and Marketing:

In this financial year (2013-14) the municipality has made the following budgetary provision for support to local tourism bureau:-

Tourism Bureau	Spatial Location	Budgetary provision
Calitzdorp	-33.529992,21.687763	R90 000
Ladismith	-33.496951,21.264494	R90 000

Table 72: Budgetary provision for tourism bureaus

This allocation by the municipality for tourism should be seen against the context of the broader package of municipal programs which contribute towards keeping the towns clean, enhancing the aesthetic appeal of the built and natural environment and its planning framework, for example the Spatial Development Framework process, could also unlock economic opportunities through the:-

- Spatial planning which will promote economic growth through the R62, agriculture and tourism.
- Art, Culture and Heritage Plan; which will identify sites of architectural, heritage significant areas and resources which will be able to contribute to the unique selling proposition of the area and attract people to the Kannaland region.
- Leveraging assets such as the caravan park, through either alienation or public private partnership which could stimulate economic activity.

Kannaland's local economy is built on the opportunities created by tourists visiting the area. It is essential that the tourism industry be further developed and investment into this industry be promoted to ensure continuous growth.

The tourism bureau maintains and operates two websites (1) Ladismith: <http://www.ladismith.org.za/> and (2) Calitzdorp: <http://www.calitzdorp.org.za/>. During the past year (2013 /2014) the two offices combined have received 1111 (526 Calitzdorp + 585 Ladismith) visitors. It is important to note that these figures only represent visitors who walked into the local tourism offices and the final visitor figure to the Kannaland area is certainly much larger because the majority of tourists pre-book their visits and do not visit a local tourism bureau. The municipality will also support the following initiatives over the next five year to further enhance the tourism industry.

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The Figure below (SDF - Figure 3.4.13.1) illustrates the main tourism and cultural attractions in the municipality (ENPAT, 2003). These are made up of grave/burial sites, monuments and hiking trails.

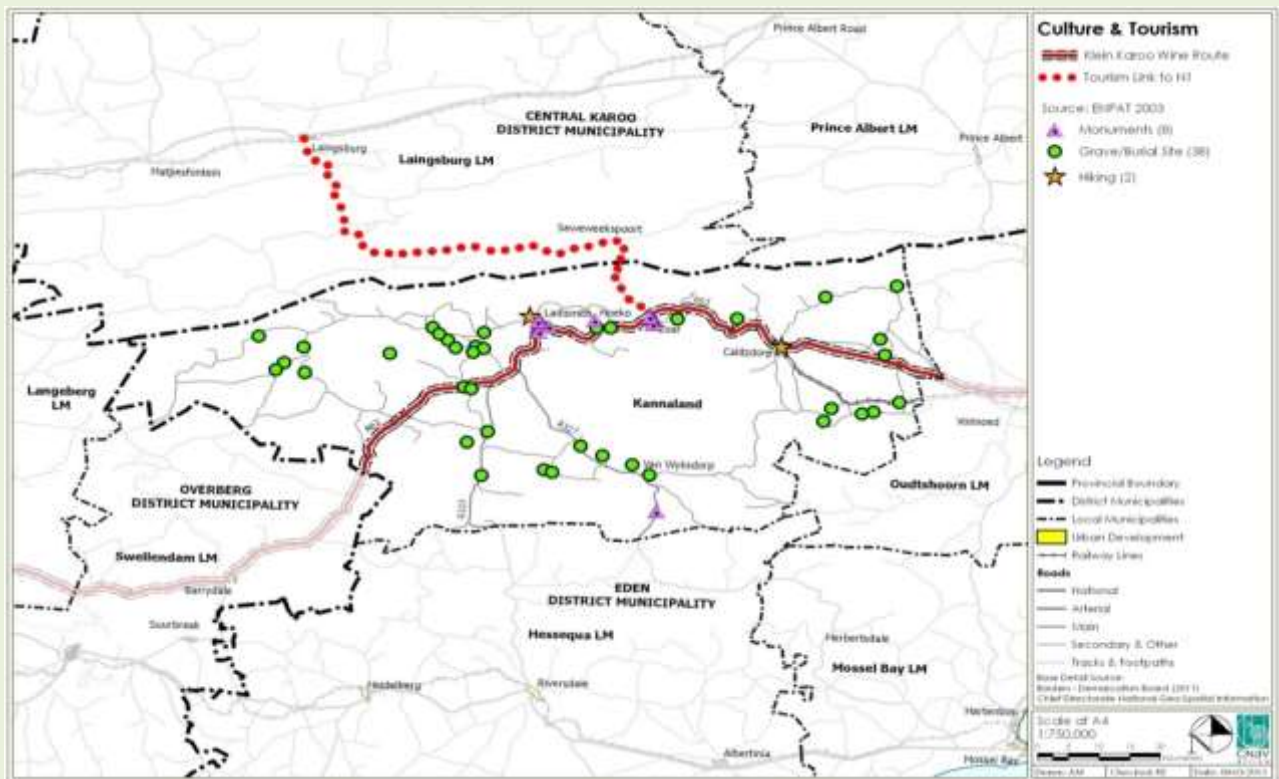


Figure 17: Tourism and culture attraction – refer to figure 3.4.13.1 in SDF

Festivals

The municipality has been supporting the following festivals with infrastructural and institutional support:

- Zoar Heritage & Culture Festival
- Seweweekspoort MTB
- Calitzdorp Port Festival
- Ladismith Cheese and Wine Festival
- Lekka Naweeek Festivals
- Mayoral Golf Day

The municipality is committed to support any festivals that will attract visitors to the Kannaland municipal area. During the past year (2013 /201) the two offices combined (tourism Ladismith and Calitzdorp have received 1111 visitors.

National Celebratory Events

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The municipality has also demonstrated a commitment to support celebratory events of National Heritage to cultivate a National cultural tradition. Examples of events are as follows:

- Youth Day
- Women's Day
- Freedom Day
- Heritage Day

The **Expanded Public Works Programme** is one of government's range of programs aimed at service delivery, addressing poverty and providing income relief through temporary work opportunities for the unemployed. The EPWP is one of Kannaland Municipality's key job creation programmes given the high levels of unemployment in the area. The municipality has developed an EPWP policy which was adopted by Council in October 2013. This policy demonstrates Council's commitment towards job creation. Council has also resolved that all infrastructure projects (RBIG, MIG, ACIP, and electrical grant funding projects) are implemented on labor intensive principles.

Job creation through EPWP* projects		
	EPWP Projects	Jobs created through EPWP projects
Details	No.	No.
2011/12	Information not available	684
2012/13	11	288
2013/14	21	340
* - <i>Extended Public Works Programme</i>	T 3.11.6	

Table 73 - Job creation through EPWP projects

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The below table indicates the service delivery objectives in the IDP relating to Roads.

Objective	Indicator	2012/13			2013/14			Improvement
		Target	Actual	Status	Target	Actual	Status	↑⇌↓
Access to Municipal Social and Economic Development Initiatives	Strong social partnerships established within a safe environment	N/A	N/A	N/A	1 Led Strategy and implementation plan approved	1	😊	⇒
	LED Forum established and fully operational	N/A	N/A	N/A	1 Forum established and fully operational	1	😊	⇒
	% funding for EPWP Spend	N/A	N/A	N/A	100% R 1,000,000.00	144% R 1,442,475.00	😊	⇒
	Number of Expanded Public Works programme (EPWP) opportunities created (NKPI)	222 job opportunities annually	226	😊	285 job opportunities annually	340	😊	↑
	Report to Council of future management of caravan parks	N/A	N/A	N/A	1 report	1	😊	⇒
	Memorandum of agreement signed with NGO sector to address social challenges	N/A	N/A	N/A	3 Partnership agreements signed with NGO's	0	😞	⇒

Table 74 - SDBIP Top Layer - LED

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COMPONENT D: COMMUNITY & SOCIAL SERVICES

3.11 LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

LIBRARIES

The municipality renders the library service on an agency basis for the Provincial Government which is funded 100% through grants. The municipality views the libraries as key to developing the human capital, encouraging people to equip themselves with knowledge and skills in order to lead quality lives.

Libraries	Users	Stock
Ladismith	1675	19 809
Calitzdorp	1048	12 928
Zoar	1672	8756
Van Wyksdorp	190	5540

Table 75: Kannaland Library Services

Ladismith Public Library is currently operating at its full capacity. An electronic lending system SLIMS has been introduced successfully since September 2011. The circulation with reference to the number of registered users remains high. The library still struggles to render a service which fills the void created by weak school libraries. Staff in the Ladismith Library attend to the information needs of learners. The library is in need of additional space for individual learners and those working in groups.

The library provides free internet access to users for which the demand is high and increasing due to the effective management of the service. Expansion is vital and is being addressed presently. Additional computers with internet access will be provided.

Calitzdorp Library has three computers with internet access for users and two in order to upgrade the lending system to the electronic SLIMS.

Zoar Library was opened in October 2009. The library is not able to offer computer services and has no internet, despite the fact that the number of young users exceed those of the other libraries in Kannaland.

Recent research conducted by a publisher of children's books, has shown that 84% of Afrikaans learners do not like reading, which provides the Kannaland libraries with a challenge to promote reading skills and an interest in reading.

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Van Wyksdorp library was run on a voluntary basis but an appointment was finally made. The operating hours were extended to include two afternoons. Morning hours were minimized to three hours (8:00 – 11:00) Mondays to Fridays. Extension of the afternoon hours to benefit learners and premises occupied presently are in the process of being reviewed

The libraries conduct regular exhibitions to draw the community and to increase library awareness.



Figure 18 - Ladismith Library

RECORDS/ARCHIVES:

The Records unit has two permanent staff and 1 contract worker. The records department expanded its computerised document management system to Calitzdorp, Zoar, whilst Van Wyksdorp is in process to be connected.

The unit has a qualified Records Manager, which is a requisite of the National Archive Act given the historic legacy of the Kannaland Municipality. The management team has prioritised computerising business processes, including digitising all new contracts and old contracts so that documentation is more readily available, reducing the risk associated with a paper based system. In the new year the unit will also implement fire risk management strategies including rolling out fire extinguishers.

The unit has also developed and implemented business processes and checks and balances to improve the efficient flow of records to the different departments.

The table below indicates the employees, posts and vacancies Library Services, Museums, Galleries, Community Facilities; other

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This table below indicates the financial performance for Libraries; Archives; Museums; Galleries; Community Facilities; Other

Financial Performance 2012 - 2014: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	42	61	70	59	(0)
Expenditure:					
Employees	1,637	1,643	1,647	2,746	0
Repairs and Maintenance	44	157	157	38	(0)
Other	246	731	732	683	(0)
Total Operational Expenditure	1,927	2,531	2,537	3,467	0
Net Operational Expenditure	1,885	2,469	2,468	3,408	0
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					
T 3.12.5					

Table 76 - Financial Performance - Libraries; Archives; Museums; Galleries; Community Facilities; Other

3.12 CEMETORIES

The existing cemeteries in Zoar reached their full capacity and therefore the need for a new cemetery was identified. Feasibility studies were completed, implemented and record of decision (ROD) was received. The new cemetery will accommodate future growth with a lifespan of approximately 50 years. The municipality has identified the need to develop new cemeteries due to capacity and life expectancy of the current cemeteries.

The area (land) for the new cemetery in Zoar has been identified and the re-zoning of the land has been approved. The Environmental Impact Assessment is in process.

The Ladismith cemetery has nearly reach its capacity but adjacent to the facility there is sufficient land available to accommodate interim extension in terms of the Environmental Impact Assessment (EIA) Legislation. A formal process has been initiated to seek suitable alternative land.

The Bergsig and Calitzdorp town cemeteries have also reached their full capacity. The Bloekomlaan cemetery will be utilised as an alternative cemetery site for communities of Bergsig and Calitzdorp town respectively. This will be formally communicated through public participation processes to the community however a further life expectancy study will be conducted.

The Van Wyksdorp cemetery has nearly reached its capacity and the consulting engineers have been instructed to seek suitable alternative land to establish a new cemetery for Van Wyksdorp. It is important to note once the full EIA has been completed for the cemetery in Zoar, there will be sufficient capacity to utilize the site as a regional cemetery for Kannaland and it has a potential life span of 50 years.

In addition the first phase of developing a new cemetery project in Zoar has been completed by MIG.

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3.13 GRANT FUNDED INFRASTRUCTURE PROJECTS

LADISMITH

- **MIG: WWTW** : Refurbishment of mechanical equipment and upgrading the system.
- **MIG: Stoffel Street**: Upgrading approximately 300m existing gravel road to an 80mm interlocking bricked paved surface.
- **MIG: Solid Waste Site**: Install approximately 400m of fencing with entrance gate and minor roadworks.
- **RBIG: Dam Relocation & Groundwater**: Drilling of six boreholes and testing 3 for 180 days.
- **RBIG: Feasibility Study WWTW**:

CALITZDORP

- **MIG: Sewer Pump Station**: mechanical and electrical equipment in sewerage pump stations have a limited lifespan due to harsh operating conditions and require periodic replacement. The refurbishment therefore was an urgent priority to avoid infrastructure failure. The following remedial work was completed:
 - The supply and installation of two new submersible pumps;
 - The supply and installation of a new motor control panel;
 - The construction of a 1.85 m high 'vibracrete' security fence with a 4 m wide vehicle access gate to improve security;
 - Resurfacing of the existing 4 m wide access road (200 mm thick gravel wearing course);
 - Minor earthworks to improve drainage of the pump station site; and
 - An emergency storage tank with a capacity of 18 m³
- **RBIG: Feasibility Study WWTW**:
- **INEC: Electrical Substation**:
- **MIG: Water Availability Studies**: Consist of 4 studies

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The table below provides more information regarding the 4 studies mentions above.

Study 1	Investigation of historical agreements between Calitzdorp Irrigation Board and Kannaland Municipality	Attorney's fees and Sedimentation survey
Study 2	Assessment of water conservation/water demand management and analysis of water needs to determine unaccounted-for water use in Calitzdorp.	Replacement of defective bulk water meters and installation of 11 additional meters including data loggers. Leak detection Assessment of water consumption data and reporting. Testing of 2 existing boreholes.
Study 3	Assess capacity of internal water reticulation network in Calitzdorp	Capacity analysis of water distribution network
Study 4	Refurbishment and cleaning of raw water supply pipeline from Nels Dam to Calitzdorp water treatment works	Pigging

Table 77 - MIG: Water Availability Studies

ZOAR

- **MIG: Water Reticulation:** the project was initiated to address the water losses in the water distribution network. Installation of new bulk water meters, zone valves, replacing old gate, scour and air valves addressed this aspect.
- **MIG: Water Reticulation Investigation:** the project lead to the investigation to source additional water resources for Zoar which experience severe problems with the bulk water supply capacity. This required the investigation of the 4 boreholes drilled by USA drilling.
- **MIG: High Mast Lights:** Installation of 5 30m high mast lights in Protea Park to provide efficient illumination for the entire area.



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- **MIG: Cemetery:** The existing cemeteries in Zoar reached their full capacity and therefore the need for a new cemetery increased. Professional studies were done and ROD was received. Area is suitable and adequate for approximately 50 years. The next phase is the planning for the design and layout of the new cemetery.
- **ACIP: WWTW & Sewer Pump Stations:** the refurbishment of mechanical and electrical equipment at Zoar Main Pump Station and Bruintjieshoogte Pump Station. Submersible pumps were installed with an overall pump station control system.
- **DoF: Streetlights:** first phase was the installation of 32 street lights at the 2 entrances of Zoar. In the second phase these entrances was connected to complete the entire Hoof Street with streetlights.

VAN WYKSDORP

- **MIG: Paving Roads:** upgrading approximately 2km of gravel roads to an 80mm interlocking paving surface.
- **DHS: Package Plant:** The service provided to the Van Wyksdorp residents has been attend to, by replacing the pit latrine system with a water borne system. A new Package Plant was installed to accommodate the new system.

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COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes: pollution control; biodiversity and landscape; and coastal protection.

Urban expansion and farming in marginal areas to meet the demand of an increasing population, are leading to a loss of land and productivity. Secondary pressures, such as climate change, desertification and alien plant invasion, are further contributing factors.

Humans influence land degradation in three principle ways:

- The use of land resources for productive purposes: for agriculture, the collection of wood for fuel and building materials, as well as water abstraction and mineral extraction.
- The use of land resources for space needs, for example, settlement, infrastructure and recreational purposes.
- A tertiary set of influences comprises the incidental and often remote impacts of economic activity on land resources: for example, pollution of (sub) surface and atmospheric water resources by industry, alien plant invasion and climate change.

Agriculture has transformed much of Kannaland's natural landscape to cultivated lands, the Little Karoo, in general, which is under extensive agriculture, game farming and conservation land uses, falls within the category "Succulent Karoo /Spekboom/ Fynbos".

Land degradation manifests itself in the soil and in the veld. Sheet erosion is the most common form of soil degradation, with some rill and gully erosion in Kannaland. The Combined Land Degradation Index (CDI) indicates that the most degraded areas within Kannaland are situated around Ladismith and Calitzdorp because of overgrazing. The rest of Eden is only lightly affected by soil and veld degradation issues.

To monitor land degradation in Kannaland, the following indicators need to be identified:

- Area of land under formal conservation protection;
- Landscape change;
- Number of agricultural subdivisions; and
- Combined Land Degradation Index.

Six impact groups associated with land degradation drivers in Kannaland are:

- Farming in marginal areas, which leads to loss of ecosystem integrity, loss of natural habitats and which exerts stresses on the natural resource base, for instance on water through irrigation of crops.
- Subdivision of agricultural land into uneconomically viable units and urban sprawl leads to diminishing agricultural returns.
- Urban expansion triggered by population growth and a better standard of living leads to the loss of agriculturally productive land and other land conflicts (e.g. conservation vs. urban development).
- Alien plant invasions cause veld degradation, a reduction on the quality and quantity of water and hence the loss of biodiversity resources.

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- Climate change (global warming) brings an increase in the frequency of extreme weather events (droughts/ flooding), change in rainfall patterns and in extreme cases desertification. Loss of biodiversity is strongly associated with these phenomena.

WATER

Kannaland falls largely within the Gouritz Water Management Area, a grouping of primary water catchments, which are diverse in nature, evaporation exceeds rainfall in the northern catchments meaning that these are water stressed areas. In contrast, rainfall generally matches evaporation in the southern catchments meaning that these are generally moister environments. In the Gouritz River catchment the development of surface water resources has reached its full potential and all the water is fully utilised.

The inland water resources are under severe pressure through urban population increased. In concert with population growth Kannaland has experienced expansion in the provision of water services. In addition, low cost housing projects emerging from the National Reconstruction and Development Programme (RDP), together with the National Water and Sanitation Programme which has contributed to water demand. A further pressure on the water resource is the influx of tourism over the holiday season, introducing a spike in water demand. Economic growth and consumer and export demand has led to an increase in agricultural production, which in turn has placed greater pressure on water resources through greatest abstraction for irrigation.

Alien invasive plant and animal species, introduced by human actions either accidentally or for commercial purposes, are proving a major threat to the quality and quantity water, as well as to the biodiversity of freshwater systems. Climate change is expected to lead to slightly reduced rainfall over the Kannaland region, increased variability of rainfall, fewer but heavier precipitation events and increased temperatures and evaporation. These effects could work together to increase flooding, but could also reduce base-flow (long term low flow).

BIODIVERSITY

Owing to its broad range of climatic conditions, geology, soils and landscapes, Kannaland has a very substantial share of global biodiversity within its borders. Kannaland's biological heritage is important in many ways – providing ecosystem services like clean water, contributing directly to the economy through industries like fishing and tourism, supporting livelihoods by providing food, medicines and building materials and generally improving health and well-being. Through habitat destruction and ill-conceived developments biodiversity is under threat world-wide. To counteract is that Kannaland should protect representatives of as many types of community and ecosystem as possible. By conserving suitable habitat we are also improving the survival chances of the species and populations contained therein. Living landscapes preserve the option value of biodiversity – the potential to provide benefits in the future.

Important driving forces putting pressure on the biodiversity resources of Kannaland are:

- Population growth;
- The demand for economic growth to provide wealth and job creation;
- Demand for housing and associated services for historically disadvantaged people;

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- Unsustainable extraction of natural resources as a result of poverty or greed;
- Poor land use practices promoting soil erosion and infestation by invasive alien plants;
- Poor waste and pollution management;
- Climate change; and
- Lack of understanding

In terms of appropriate responses, the mainstreaming biodiversity consideration into socio-economic agendas holds most promise to turn the situation around. It is necessary to:

- Integrate the protection and management of biodiversity resources with all human development by means of regional and national conservation initiatives;
- Build capacity in the areas of conservation assessment, taxonomy, green technology and knowledge transfer;
- Increase capacity in environmental law enforcement, management and education;
- Strengthen existing biodiversity conservation programmes to identify ecosystems, species and genetic resources that are at imminent risk of extinction;
- Implement strong counter measures to slow down the speed with which the loss of biodiversity occurs; and
- Link biodiversity protection and economic upliftment, as biodiversity protection provides an opportunity for less formal, nature-based community initiatives to act as economic engines and job creators.

CLIMATE

There is general scientific agreement that the world is now warmer than at any time in the last 1000 years, and that the cause for this warming is due to human activities. Kannaland is at risk from projected changes in rainfall pattern and warming induced by changes in the global energy balance and atmospheric water balance.

Trends in climate over a five-year period can easily be meaningless or insignificant in a statistical sense.

However, the average for the five-year reporting period may be useful for simple comparative purposes against the long term average. Once a continuous ambient air quality sampling programme is in place, quarterly air quality reports which will provide useful state of environment data.

Increased drying and changes to the seasonal nature of precipitation will bring an increase in irrigation requirements which are likely to desiccate wetlands and threaten seasonal ecosystem interactions within the wetland. Such impacts are likely to further threaten the biodiversity of freshwater resources, which in turn will impair the environmental services they provide. Impacts caused by climate change in terrestrial ecosystems include the detrimental effects associated with wildfires due to increased berg-wind conditions, and the possibility of changes in the distribution of alien invasive species, apart from changes in indigenous species distribution and interactions.

Numerous economic sectors could be affected by changes in temperature and precipitation patterns. Impacts are likely to be felt in agriculture, fisheries, forestry, the manufacturing industry, tourism, finance and investment, transport, communication and trade, and construction. Climate change is likely

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to impact water services in terms of diminishing reserves on the one hand, and damage to infrastructure due to heavier precipitation events on the other.

KANNALAND FLORA

The Cape Floral Kingdom is characterized by its exceptional richness in plant species. More than 8 700 species are known to occur, with more than 68% of these being endemic. The Cape Floral Kingdom, thus, compares with some of the richest floras worldwide. It is the smallest of the Floral Kingdoms and covers a mere 0.06% of the earth's surface, and is the only Floral Kingdom contained in its entirety within a single country.

Kannaland is a region of extensive plains, arid foothills and rugged rocky ridges and includes a wide range of microhabitats with extreme seasonal and diurnal temperature fluctuations. There are 1325 plant species in this area, including 182 Succulent Karoo endemics and 92 Red List species (www.skep.org.za). While unique and rare species are found throughout the landscape, many of the endemics are concentrated along veins of weathered quartz, where patches of white pebbles provide camouflage and moderate the temperature for “stone plants”

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3.14 POLLUTION CONTROL

HAZARDS / VULNERABILITIES ASSESSMENTS

The Eden District Municipality had undertaken a risk and vulnerability assessment during 2006 and the following have been identified:

Assessment	Description
Biological: Human Epidemics	HIV/AIDS and TB is expected to be high among farm workers in Kannaland KANNALAND LM. However, there is, as is the case in most of the EDM, insufficient data available to confirm this.
Biological: Agricultural Epidemics	Agricultural epidemics is a major concern on chicken and ostrich farms where avian flu may once again break out and where major losses have already occurred due to the disease.
Human: Events and Civil unrest	The risk of event-related disasters and civil unrest is very low, due to the rural nature and general low population density, of the communities in the KANNALAND LM.
Environmental: Degradation	<p>Environmental land and water pollution related to hazardous substance spillages poses a risk along the major transport routes in the Kannaland KANNALAND LM. Environmental degradation may occur as a result of the over-use of fertilisers, as is the case in much of the EDM.</p> <p>Underground water also abstraction poses unknown risks with regards to its effect on the water table and the associated vegetative cover.</p> <p>Drought conditions pose a risk and this degrades the natural environment and its ability to sustain farming practices. It also increases the possibility of a loss of biodiversity.</p>
Environmental: Fires	Plantation fires are a concern in this KANNALAND LM, especially since the ability of the KANNALAND LM to deal with large-scale disasters of this nature is perceived to be inadequate.
Geological: Earthquakes and landslides/rock falls	There does not seem to be notable threats in this KANNALAND LM in this regard.
Hydro-meteorological:	There does not seem to be notable threats in this KANNALAND LM in this

Chapter 3

Assessment	Description
<i>Floods</i>	regard.
<i>Technological: Transport</i>	As mentioned regarding environmental degradation, transport-related disasters could cause damage to the environment.
<i>Technological: Major disruption of key services</i>	The impact of a major disruption in key services in the KANNALAND LM is relatively low, due to the predominantly rural nature of the KANNALAND LM residences, where many of the settlements already have access to alternative services or they can without too much difficulty operate on limited service provision. Water supply may, however, be problematic should long-term drought conditions prevail.
<i>Technological: Industrial, explosions and fires</i>	Filling station fires/explosions, LPG gas supply establishment fires/explosions, fires in high-rise buildings, and large structure fires all pose risks in this area. The possible impacts are exacerbated by the perceived lack of capacity in the KANNALAND LM to manage and respond to such events.

Table 78: Hazards / Vulnerability Assessments

The impact prioritization for the most important risks (in order of priority) is as follows:

- Floods
- Plantation and vegetation fires
- Agricultural epidemics
- Hazardous materials transport
- Drought

Chapter 3

RISK REDUCTION MEASURES

No other risk reduction measures are in place other than proactive measures during early warnings and forecasts or progression of incidents. Preventive measures are relocating or evacuating members of communities and providing support at a local level or as assisted through the District.

Mitigation measures

- Water restrictions in place
- Drilling of boreholes
- Cleansing of storm water drainage systems

Preparedness measures

- Disaster Management Advisory Forum has been established.
- Meetings/ forums / workshops (newly established Disaster Management Forum)
- SLA/MOU with Eden District municipal

3.15 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

This is not a legislative municipal function, however we support where applicable.

3.16 CLINICS

This is not a legislative municipal function, however we support where applicable.
The municipality availed land to build a new clinic in Ladismith. This clinic will be centralised whereby all Ladismith residents will have effortless access.

3.17 AMBULANCE SERVICES

This is not a legislative municipal function, however we support where applicable.

3.18 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

This is not a legislative municipal function, however we support where applicable.

Chapter 3

3.19 POLICE

This is not a legislative municipal function, however we support where applicable.

3.20 FIRE

This is a function performed by the District Municipality (Eden District)

3.21 OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)

DISASTER MANAGEMENT

Kannaland Municipality has a functional disaster management structure. The Municipal Manager has mandated the Executive Manager: Corporate Services to do the functionary work with regard to Disaster management in Kannaland. For the year under review, a Disaster Management plan has been developed and approved in terms of the section 53 Disaster management Act..

Chapter 3

COMPONENT H: SPORT AND RECREATION

This component includes: community parks; sports fields; sports halls; stadiums; swimming pools; and camp sites.

3.22 SPORT AND RECREATION

During the year under review, sport projects were identified and registered through the MIG for funding. The projects relates to the rehabilitation, upgrading and new infrastructure of sport facilities for Calitzdorp and Zoar.



Chapter 3

The below table indicates the service delivery objectives in the IDP relating to Sports and Recreation.


Objective	Indicator	2012/13			2013/14			Improvement
		Target	Actual	Status	Target	Actual	Status	↑⇒↓
Access to affordable and Reliable Municipal Infrastructure and Services	Develop and approve a sport and recreation policy and implementation plan	N/A	N/A	N/A	Sport and recreation Policy and implementation plan developed	0		⇒

Table 79 - SDBIP Top Layer - Sports and Recreation

The table below indicates the capital expenditure during the 2013/14 for Sport and Recreation services.

Capital Expenditure Year 2013/14: Sport and Recreation					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	529090	706949	706949	25%	
Calitzdorp:Bergsig: Rehabilitate Sport Field	98183	171156	171156	43%	4256475
VanWyksdorp: Rehabilitate Sport Field	82024	82024	82024	0%	1018220
Zoar: Upgrade Sport Field	98883	132300	132300	25%	4290675
Zoar: New Cemetery	250000	321469	321469	22%	3545742
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T 3.23.5

Table 80 - Capital Expenditure - 2013/14 - Sport and Recreation

Chapter 3

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services.

3.23 EXECUTIVE AND COUNCIL

Financial Performance Year 2013/14: The Executive and Council R'000					
Details	Year -1	Year 0		Actual	Variance to Budget
	Actual	Original Budget	Adjustment Budget		
Total Operational Revenue	664	10	1,816	406	97%
Expenditure:					
Employees	7,478	8,757	8,776	11,012	20%
Repairs and Maintenance	–	15	15	2,020	99%
Other	5,306	4,827	6,736	9,059	47%
Total Operational Expenditure	12,783	13,599	15,526	22,091	38%
Net Operational Expenditure	12,119	13,589	13,711	21,685	37%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					
T 3.24.5					

Table 81 - Financial Performance - 2013/14 - The Executive and Council

Chapter 3

3.24 FINANCIAL SERVICES

The table indicated the debt recover for the 2013/14 financial year.

Debt Recovery R' 000							
Details of the types of account raised and recovered	2012/13		2013/14			2013/14	
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
Property Rates			11,956,185	11,399,464	81.18		
Electricity - B							
Electricity - C			25,665,310	28,377,796	88.89		
Water - B							
Water - C			13,076,164	11,924,763	50.92		
Sanitation			4,351,146	4,018,044	55.30		
Refuse			4,716,440	4,562,357	46.69		
Other			370,565	-2,514,485	16.12		
<i>B- Basic; C= Consumption. See chapter 6 for the Auditor General's rating of the quality of the financial Accounts and the systems behind them.</i>							<i>T 3.25.2</i>

Table 82 - Debt Recover

Chapter 3

The table below indicates the 2013/14 financial performance for Financial Services

Financial Performance Year 2013/14: Financial Services					
R'000					
Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1,181	1,584	2,023	8,601	82%
Expenditure:					
Employees	7,914	7,112	10,486	10,401	32%
Repairs and Maintenance	73	58	60	35	-68%
Other	8,959	4,524	6,460	13,697	67%
Total Operational Expenditure	16,945	11,695	17,006	24,132	52%
Net Operational Expenditure	15,765	10,110	14,983	15,531	35%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					
<i>T 3.25.5</i>					

Table 83 - Financial Performance Year 2013/14: Financial Services

Chapter 3

The below table indicates the service delivery objectives in the IDP relating to Financial Services.

Objective	Indicator	2012/13			2013/14			Improvement
		Target	Actual	Status	Target	Actual	Status	↑⇌↓
A Financially sustainable and viable Municipality with well-maintained assets	% of debtors accounts collected to improve the debt collection rate	N/A	N/A	N/A	90%	84%	☹	⇒
	Ratio of cost coverage maintained (NKPA)	N/A	N/A	N/A	Not yet determined	0	☹	⇒
	Net Debtors to Annual Income (Ratio of outstanding services debtors to revenue actually received for services) (NKPI)	N/A	N/A	N/A	Not yet determined	0	☹	⇒
	Debt coverage by won billed revenue (NKPA)	N/A	N/A	N/A	Not yet determined	0	☹	⇒
	% of capital budget spend (NKPI)	N/A	N/A	N/A	95% - 100%	53%	☹	⇒

Table 84 - SDBIP Top Layer - Financial Services

Chapter 3

3.25 HUMAN RESOURCE SERVICES



The HR unit is responsible for the administration of all matters relating to the municipality's personnel. The department also help maintain the effective processes and procedures in compliance with relevant legislation.

During the 2013-14 financial year the organisational structure has been reviewed and adopted by council. The processes was utilised to conduct a skills audit by obtaining the training needs for career development of all employees. Job descriptions reviewed meetings with each staff member were conducted whereby Job descriptions for each incumbent were drafted and signed by relevant parties.

The below table indicates the service delivery objectives in the IDP relating to Roads.

Objective	Indicator	2012/13			2013/14			Improvement
		Target	Actual	Status	Target	Actual	Status	↑⇒↓
Vibrant Municipality with an effective motivated and efficient work force	Compile and implement a programme for staff interaction and motivational sessions	N/A	N/A	N/A	Plan compiled and ready for implementation	0	☹️	⇒
	Develop and complete a staff Perception / satisfaction survey	N/A	N/A	N/A	1 Survey developed and completed by June 2013	0	☹️	⇒
	Develop and implement a recognition of achievement standards policy	N/A	N/A	N/A	1 policy developed and implemented	1 Reward and recognition policy adopted 27 Feb 2014	😊	⇒
	% budget spend on implementation of Work Skills Plan (NKPI)	N/A	N/A	N/A	80%	78%	😐	⇒

Chapter 3

% of people from employment equity target groups employed in the three highest level of management in compliance with the municipality's approved equity plan (NKPI)	N/A	N/A	N/A	60%	0%		
--	-----	-----	-----	-----	----	---	---

3.26 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The primary purpose of the Information Systems and Technology Department is the provisioning of Information and Communication Technologies (ICT) services which will enable an efficient and effective administration. Operational efficiency will be enhanced by automating those business processes which are not currently being performed within a corporate SAMRAS-ERP system, bringing more business units in line with the existing corporate business processes and growing the content of the management information systems to serve decision making.

During the year under review, the ICT department priorities and achievements were as follows:

- Wireless infrastructure and internet connectivity has been upgraded and fully operational. The internal network upgrade will commence in the next financial year.
- A clean audit strategy has been developed by the ICT department and Bytes Technology to ensure better implementation of additional SAMRAS modules to address the Auditor General findings.
- The implementation of the Motla Meter reading system has commenced in the year under review and has been completed.
- The ICT Security Policy has been reviewed and Standard Operating Procedures included in the policy to ensure better understanding of ICT Security processes
- Implementation of motla meter reading system to enhance revenue and help with data cleansing to supply the community with accurate and audible readings.
- The ICT department has put out a tender for the procurement of servers and due to lack of funding it could not be procured. This project will be moved to the new financial year.
- Implementation of SAMRAS payroll module to adhere to the requirements of SCOA and to minimize the risk that interfacing between two deferent systems has.

Chapter 3

- Upgrading of the Ladismith office network in process.
- Upgrading of the Zoar office network is necessary.
- Upgrading of the Calitzdorp office network in process.
- In order to comply with section 75 of the MFMA that deals with websites and the documentation that must be published the provincial government has identified 10 municipalities that provincial government will design a compliant website for. Kannaland will be one of these municipalities.
- Installing endian firewall to more effectively manage the firewall rules.

The below table indicates the service delivery objectives in the IDP relating to ICT.


Objective	Indicator	2012/13			2013/14			Improvement
		Target	Actual	Status	Target	Actual	Status	↑⇒↓
A Financially sustainable and viable Municipality with well maintained assets	Maintain a Website with information as required by MFMA, PAIA	N/A	N/A	N/A	1 update per week. 4 per month	4 per week		⇒
						11 per month		

Table 85 - SDBIP Top Layer - ICT

Chapter 3

PERFORMANCE OF ICT SERVICES OVERALL:

The ICT Services overall performance is good but needs to be excellent to increase the services delivery objectives of the Kannaland Municipality. The ICT department currently consist of a ICT Manager (Permanent) , ICT Technician (Permanent) and one ICT Intern which is appointed on a contract term of 12 months. As per the ICT Policy that was approved by council the turnaround time to resolve queries is 3 days which the current staff component of ICT maintains at a level of 80%. Weekly Reports has been compiled and sent to management on a weekly basis on queries that has been resolved and outstanding.

3.27 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

This component includes property; legal; risk management and procurement services.

The municipality has been identified risks and developed risk based audit plans which results in applying it to a credible risk register as well in the audit action plan to reduce and set out interventions for future planning.

Within the financial recovery plan certain properties / assets has been identified as not being fully utilised, or are not a core function of the municipality. Council decided that those properties / assets should be alienated. Procurement processes are in progress to alienate these municipal properties.

Chapter 4

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees					
Description	2012/13	2013/14			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Water	10	25	10	15	60%
Waste Water (Sanitation)					
Electricity	8	8	8	0	0%
Waste Management	10	19	10	9	47%
Housing	3	3	3	0	0%
Waste Water (Stormwater Drainage)					
Roads					
Transport / Vehicle Maintenance	3	3	3	0	0%
Planning	2	11	2	9	82%
Local Economic Development	0	5	0	5	100%
Planning (Strategic & Regulatory)	2	3	2	1	33%
Local Economic Development					
Community & Social Services	23	59	23	36	61%
Environmental Protection					
Health					
Security and Safety	5	17	5	12	71%
Sport and Recreation	1	1	1	0	0%
Corporate Services	17	30	17	13	43%
Finance	32	45	32	13	29%
Totals	116	229	116	113	49%
Headings follow the order of services as set out in chapter 3. Service totals should equate to those included in the Chapter 3 employee schedules. Employee and Approved Posts numbers are as at 30 June, as per the approved organogram.					
T 4.1.1					

Table 86 - Employees Information

Chapter 4

VACANCY RATE

Vacancy Rate: Year 2013/14			
Designations	*Total Approved Posts No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1	0	0.00
CFO	1	0	0.00
Other S57 Managers (excluding Finance Posts)	1	0	0.00
Other S57 Managers (Finance posts)	0	0	#DIV/0!
Police officers	0	0	#DIV/0!
Fire fighters	0	0	#DIV/0!
Senior management: Levels 13-15 (excluding Finance Posts)	9	0	0.00
Senior management: Levels 13-15 (Finance posts)	6	0	0.00
Highly skilled supervision: levels 9-12 (excluding Finance posts)	5	0	0.00
Highly skilled supervision: levels 9-12 (Finance posts)	8	0	0.00
Total	31	0	0.00
<p>Note: *For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p>			

T 4.1.2

Table 87 - Vacancy Rate

Chapter 4

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
2011/12	8	0	0
2012/13	10	5	0.5
2013/14	17	2	0.12
<i>* Divide the number of employees who have left the organisation within a year, by total number of employees who occupied posts at the beginning of the year</i>			<i>T 4.1.3</i>

Table 88 - Turn-over Rate

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

The Municipal Systems Act, 32 of 2000, Section 67, requires municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998.

During the reviewed year several policies has been reviewed and implemented listed as prescribed in the Municipal Finance Management Act, section 75.

Chapter 4

4.2 POLICIES

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
1	Affirmative Action	NO	NO	
2	Attraction and Retention	YES	YES	27 February 2014
3	Code of Conduct for employees			USE BCE-ACT REGULATIONS
4	Delegations, Authorisation & Responsibility	NO		
5	Disciplinary Code and Procedures	NO		USE SALGBC AGREEMENTS
6	Essential Services	NO		
7	Employee Assistance / Wellness	YES		27 February 2014
8	Employment Equity	NO		
9	Exit Management	NO		
10	Grievance Procedures	NO		USE SALGBC AGREEMENTS
11	HIV/Aids	YES		FEBR. 2008
12	Human Resource and Development	NO		
13	Information Technology	YES	YES	28 May 2014
14	Job Evaluation	NO		Task System
15	Leave	YES	YES	27 February 2014
16	Occupational Health and Safety	YES	YES	27 February 2014
17	Official Housing	NO		
18	Official Journeys (S & T)	YES	YES	4 October 2013
19	Official transport to attend Funerals	NO		
20	Official Working Hours and Overtime	YES		19 December 2012
21	Organisational Rights	NO		
22	Payroll Deductions	NO		
23	Performance Management and Development	NO		
24	Recruitment, Selection and Appointments	YES	YES	27 February 2014
25	Remuneration Scales and Allowances	NO		
26	Resettlement	YES	YES	27 February 2014
27	Sexual Harassment	YES		9 September 2008
28	Skills Development	YES		9 September 2008
29	Smoking	YES		9 September 2008
30	Special Skills (Scarce Skills)	YES		21 October 2011
31	Work Organisation	NO		
32	Uniforms and Protective Clothing	NO		

Chapter 4

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
33	Long Service Recognition	YES		9 September 2008
34	Acting Allowance	YES	YES	27 February 2014
35	Standby Allowance	YES		9 September 2008
36	Nepotism	YES		9 September 2008
37	Demotion, Promotion & Transfer	YES		9 September 2008
38	Personnel Production: Performance Recognition	YES		9 September 2008
39	Whistle-blowers	YES		9 September 2008
40	Alcohol & Substance Abuse	YES		9 September 2008
41	Cellphone Users Scheme	YES		9 September 2008
42	Car-allowances Scheme	YES		29 January 2009
43	Legal Representative	YES		21 October 2011
44	Study-loan Scheme	YES		19 December 2011
45	Cellphone Users Scheme for Officials	YES	YES	21 & 31 July 2014
46	Dress-code	YES		21 October 2011
47	Retention of Staff	YES		27 October 2011
48	Access of Information	YES		18 November 2011
49	Anti-Fraud & Corruption Strategy and Prevention	YES		12 November 2013
50	Individual Performance Management	YES		27 February 2014
51	Private work and declaration of Interest	YES		27 February 2014
Use name of local policies if different from above and at any other HR policies not listed. T 4.2.1				

Table 89 - HR Policies and Plans

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee Days	Total Estimated Cost
	Days	No.	%		R'000
Required basic medical attention only (Temporary Workers)	60	20	33%	3	0
Temporary total disablement	0	0	0%	0	0
Permanent disablement	0	0	0%	0	0
Fatal	0	0	0%	0	0
Total	60	20	33%	12	0
T 4.3.1					

Table 90 - Number and Cost of Injuries on Duty

Chapter 4

The table and below indicates the number of days and cost of sick leave

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 1-2)	10	0%	3	3	3.33	Information not available
Skilled (Levels 3-5)	287	0%	31	45	6.38	Information not available
Highly skilled production (levels 6-8)	167	0%	24	42	3.98	Information not available
Highly skilled supervision (levels 9-12)	94	0%	14	25	3.76	Information not available
Senior management (Levels 13-15)	19	0%	9	10	1.90	Information not available
MM, S57 and level 16 above	2	0%	1	8	0.25	Information not available
Total	579	0%	82	133	4	0
* - Number of employees in post at the beginning of the year *Average is calculated by taking sick leave in column 2 divided by total employees in column 5						

T 4.3.2

Table 91 - Number of days and Cost of Sick Leave

Chapter 4

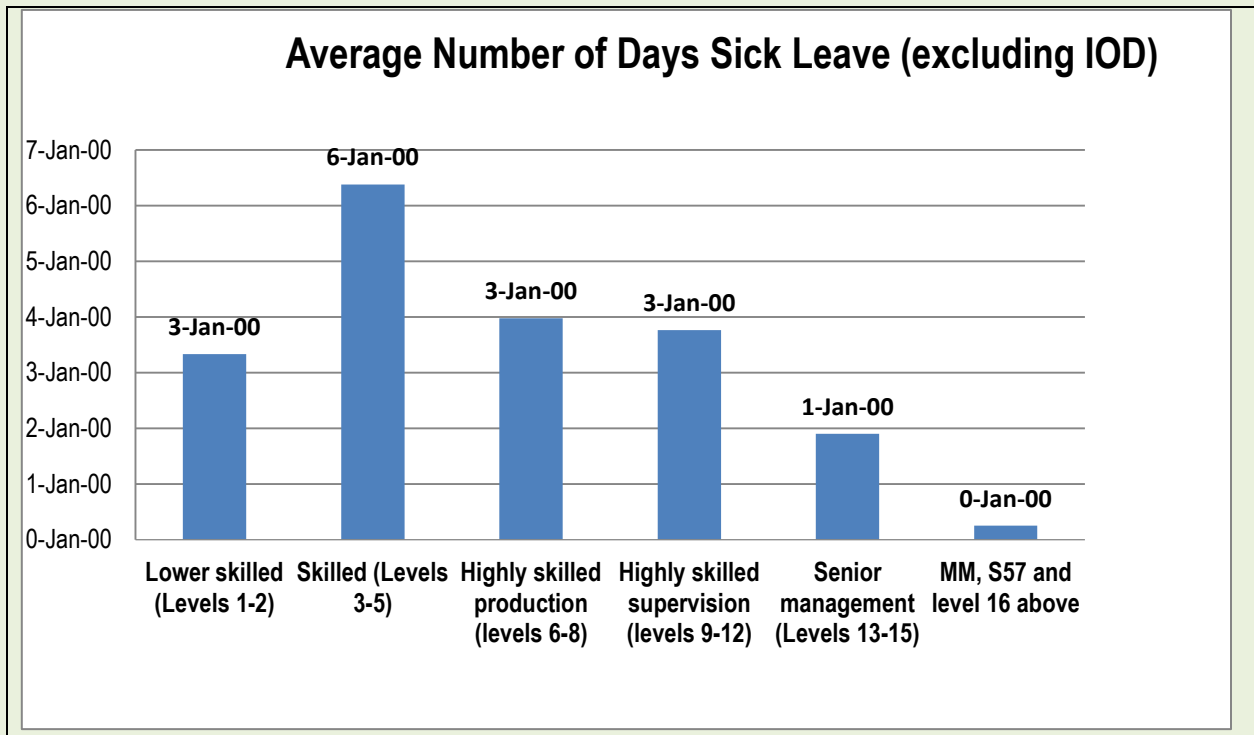


Figure 19 – Average Number of Days Sick Leave

The table below indicates the number of period of suspensions during the financial year.

Number and Period of Suspensions 2-13/14					
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised		Date Finalised
Project Manager in the office of the Municipal Manager	Gross insubordination and negligence	17-Jul-13	Before the Disciplinary hearing could commence, the parties reached a settlement agreement		3-Dec-13
Pit assistant	Gross misconduct	12-Aug-13	Employee was dismissed; case was taken to the bargaining Council.		Case was finalised on 18/02/2014 to the fact that parties reached agreement
Senior Personal officer	Abscond	n/a	Dismissed		1-Mar-14
Manager Electrical and Mechanical	Gross misconduct	1-Apr-14	Dismissed		1-Jul-14
HR -Manager	Gross misconduct	1-May-14	Case is currently Pending		n/a
T 4.3.5					

Table 92- Number and Period of Suspensions

Chapter 3

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
Project Manager - In the office of the Municipal Manager	Gross insubordination Negligence	Before the Disciplinary hearing could commence, the parties reached a settlement agreement	3Desember2013
Pitt assistant	Gross misconduct	Employee was dismissed, case was taken to the bargaining Council	Case was finalised on 18 February 2014 to The fact that parties reached agreement
Senior Personal Officer	Absconded	Dismissed	1-Mar-14
Manager Electrical and Mechanical	Gross misconduct	Dismissed	1-Jul-14
HR-Manager	Gross misconduct	Case is currently Pending	
			T 4.3.6

Table 93 - Disciplinary Action Taken on Cases of Financial Misconduct

4.4 PERFORMANCE-REWARDS

The performance management system does not have a reward programme for current financial year.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The Municipal Systems Act. 2000, Section-67, requires municipalities to develop and adopt appropriate systems and procedures to ensure fair, efficient, effective and transparent personal administration in accordance with the Employment Equity Act 1998.

Chapter 4

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 30 June Year 2013/14	Number of skilled employees required and actual as at 30 June Year 2013/14											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual: End of Year - 2012/13	Actual: End of Year 2013/14	Year 2013/14 Target	Actual: End of Year - 2012/13	Actual: End of Year 2013/14	Year 2013/14 Target	Actual: End of Year - 2012/13	Actual: End of Year 2013/14	Year 2013/14 Target	Actual: End of Year - 2012/13	Actual: End of Year 2013/14	Year 2013/14 Target
MM and s57	Female		0							0	0			
	Male		0	3			Executive leadership programme.			0	0			
Councillors	Female		0	1						0	0			
	Male		0	6			Executive leadership programme.			0	0			
Technicians	Female		0							0	0			
	Male		0							0	0			
Sub total	Female			1			1							
	Male			9			4							
Total		0	0	20	0	0	5	0	0	0	0	0	0	0
*Registered with professional Associate Body e.g CA (SA)														T 4.5.1

Table 94 - Skills Matrix

Chapter 4

PROGRESS REPORT

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
<i>Accounting officer</i>	0	0	0	0	0	0
<i>Chief financial officer</i>		0	0	0	0	0
<i>Senior managers</i>	2	0	0	0	0	0
<i>Any other financial officials</i>	0	0	0	0	0	0
Supply Chain Management Officials						
<i>Heads of supply chain management units</i>	0	0	0	0	0	0
<i>Supply chain management senior managers</i>	0	0	0	0	0	0
TOTAL	2	0	0	0	0	0
* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)						T 4.5.2

Table 95 - Financial Competency Development - Progress Report

Chapter 5

CHAPTER 5 – FINANCIAL PERFORMANCE

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

This chapter highlights the major financial achievements and challenges for the Kannaland Municipality for the 2013/14 financial year.

Kannaland Municipality obtained an unqualified audit opinion for the 2013.14 financial year.

This is a remarkable achievement and puts the municipality in the better half of municipalities within South Africa.

Note: Statements of Revenue Collection Performance by vote and by source are included at **Appendix K**

Chapter 5

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Unaudited schedule:

Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2013/2014											2012/2013			
R thousand	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFM A)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFM A)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFM A	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Revenue By Source															
Property rates	12,118	12,118				12,118	11,604			-4%	-4%				8,790
Property rates - penalties & collection charges															
Service charges - electricity revenue	34,508	30,883				30,883	34,708			12%	1%				33,437
Service charges - water revenue	9,637	9,637				9,637	10,088			5%	5%				4,199
Service charges - sanitation revenue	6,629	6,629				6,629	4,146			-37%	-37%				3,979
Service charges - refuse revenue	5,815	5,815				5,815	4,543			-22%	-22%				3,279
Service charges - other															
Rental of facilities and equipment	241	273				273	243			-11%	1%				245
Interest earned - external investments	268	700				700	1,637			134%	510%				997

Chapter 5

Unaudited schedule:

Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2013/2014											2012/2013			
R thousand	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFM A)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFM A)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFM A	Balance to be recovered	Restated Audit Outcome
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Interest earned - outstanding debtors	1,844	1,844				1,844	3,557			93 %	93 %				1,594
Dividends received															
Fines	1,592	599				599	3,371			463 %	112 %				704
Licences and permits	129	70				70	411			487 %	220 %				313
Agency services	425	658				658	682			4 %	61 %				585
Transfers recognised - operational	25,298	40,585				40,585	40,762			0 %	61 %				25,425
Other revenue	397	2,252				2,252	10,656			373 %	2583 %				2,376
Gains on disposal of PPE															
Total Revenue (excluding capital transfers and contributions)	98,901	112,062	-	-		112,062	126,408		-						85,922
Expenditure By Type															
Employee related costs	36,06	36,38				36,38	43,87			21 %	22 %				32,99

Chapter 5

Unaudited schedule:

Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2013/2014											2012/2013			
R thousand	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFM A)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFM A)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unaudited expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFM A	Balance to be recovered	Restated Audit Outcome
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	9	0				0	6								5
Remuneration of councilors	2,406	2,406				2,406	2,739			14 %	14 %				2,801
Debt impairment	2,420	2,420				2,420	18,713			673 %	673 %				4,630
Depreciation & asset impairment	8,746	8,746				8,746	9,723			11 %	11 %				8,256
Finance charges	1,182	1,182				1,182	4,439			276 %	276 %				3,676
Bulk purchases	23,978	23,978				23,978	22,434			-6 %	-6 %				20,747
Other materials							96								2,311
Contracted services	–	–				–	16,502								20,250
Transfers and grants	37,298	56,436				56,436				-100 %	-100 %				
Other expenditure	20,532	24,197				24,197	27,595			14 %	34 %				13,641
Loss on disposal of PPE							–								104
Total Expenditure	132,631	155,746	–	–	–	155,746	146,118	–							109,411

Chapter 5

Unaudited schedule:

Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2013/2014											2012/2013			
R thousand	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFM A)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFM A)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFM A	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Surplus/(Deficit)	(33,730)	(43,684)	–	–		(43,684)	(19,709)								(23,489)
Transfers recognised capital –	33,731	37,036				37,036	27,845			–25%	–17%				34,160
Contributions recognised capital –															
Contributed assets															
Surplus/(Deficit) after capital transfers & contributions	2	(6,648)				(6,648)	8,135								10,672
Taxation															
Surplus/(Deficit) after taxation	2	(6,648)				(6,648)	8,135								10,672
Attributable to minorities															
Surplus/(Deficit) attributable to municipality	2	(6,648)				(6,648)	8,135								10,672
Share of surplus/ (deficit) of associate															
Surplus/(Deficit)															

Chapter 5

Unaudited schedule:

Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2013/2014											2012/2013			
R thousand	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFM A)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFM A)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unaudited expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unaudited expenditure	Expenditure authorised in terms of section 32 of MFM A	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
for the year	2	(6,648)				(6,648)	8,135								10,672

Table 96 - Budget Summary

Chapter 5

Financial Performance of Operational Services R '000						
Description	2012/13	2013/14		2013/14 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Operating Cost						
Water	6,900	8,157	8,169	8,242	1.04%	0.89%
Waste Water (Sanitation)	5,497	4,439	4,477	5,772	23.09%	22.43%
Electricity	26,381	27,706	27,736	31,995	13.41%	13.31%
Waste Management	3,125	2,858	2,788	7,302	60.86%	61.82%
Housing	656	705	707	760	7.15%	6.92%
Component A: sub-total	42,559	43,865	43,877	54,071	18.88%	18.85%
Waste Water (Stormwater Drainage)	-	-	-	-	#DIV/0!	#DIV/0!
Roads	4,431	-	-	-	#DIV/0!	#DIV/0!
Transport	2,140	-	-	-	#DIV/0!	#DIV/0!
Component B: sub-total	6,571	-	-	-	#DIV/0!	#DIV/0!
Planning	-	-	-	-	#DIV/0!	#DIV/0!
Local Economic Development	8,932	-	-	-	#DIV/0!	#DIV/0!
Component B: sub-total	8,932	-	-	-	#DIV/0!	#DIV/0!
Planning (Strategic & Regulatory)	-	-	-	-	#DIV/0!	#DIV/0!
Local Economic Development	3,851	-	-	-	#DIV/0!	#DIV/0!
Component C: sub-total	3,851	-	-	-	#DIV/0!	#DIV/0!
Community & Social Services	2,894	2,531	2,537	3,467	27.00%	26.81%
Environmental Protection	-	-	-	-	#DIV/0!	#DIV/0!
Health	-	-	-	-	#DIV/0!	#DIV/0!
Security and Safety	-	-	-	-	#DIV/0!	#DIV/0!
Sport and Recreation	358	-	-	-	#DIV/0!	#DIV/0!
Corporate Policy Offices and Other	24,141	25,446	32,684	46,228	44.96%	29.30%
Component D: sub-total	27,393	27,976	35,222	49,694	43.70%	29.12%
Total Expenditure	89,306	71,841	79,098	103,766	30.77%	23.77%
In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						
T 5.1.2						

Table 97 - Financial Performance of Operational Services 2013/14

Chapter 5

5.2 GRANTS

Grant Performance R' 000				
Description	2012/13	2013/14		
	Actual	Budget	Adjustments Budget	Actual
Operating Transfers and Grants				
National Government:	23,246	51,522	50,435	50,435
Equitable share	18,989	20,051	19,511	19,511
Municipal Systems Improvement	1,500	890	890	890
Intergrated National Electrification Grant	-	16,700	16,700	16,700
Municipal Infrastructure Grant		10,934	10,387	10,387
DBSA Recovery				
Finance Management	1,250	1,400	1,400	1,400
MIG PMU	555	547	547	547
EPWP	952	1,000	1,000	1,000
Provincial Government:	15,486	10,875	10,875	10,875
Health subsidy	-		-	-
Housing	13,964	9,501	9,501	9,501
Sports and Recreation	1,398	-	-	-
Library and Paving	28	1,374	1,374	1,374
Performance Management		245	245	245
CDW's	96	98	98	98
District Municipality:	24	-	-	-
<i>Proclalimed Roads</i>				
<i>Ladismith Water Project</i>	24			
Other grant providers:	349	7,657	7,657	7,657
<i>FMSG</i>	165	75	75	75
<i>DWA and Others</i>	184	7,582	7,582	7,582
Total Operating Transfers and Grants	39,105	70,054	68,967	68,967
T2.5.1				

Table 98 – Grant

Chapter 5

5.3 ASSET MANAGEMENT

The municipality has, as a result of the extensive audit findings for the year under review commissioned a full asset management plan which produces a credible asset verification register with GIS mapping. This will be finalized in the 2014/2015 financial year.

5.4 REPAIR AND MAINTENANCE

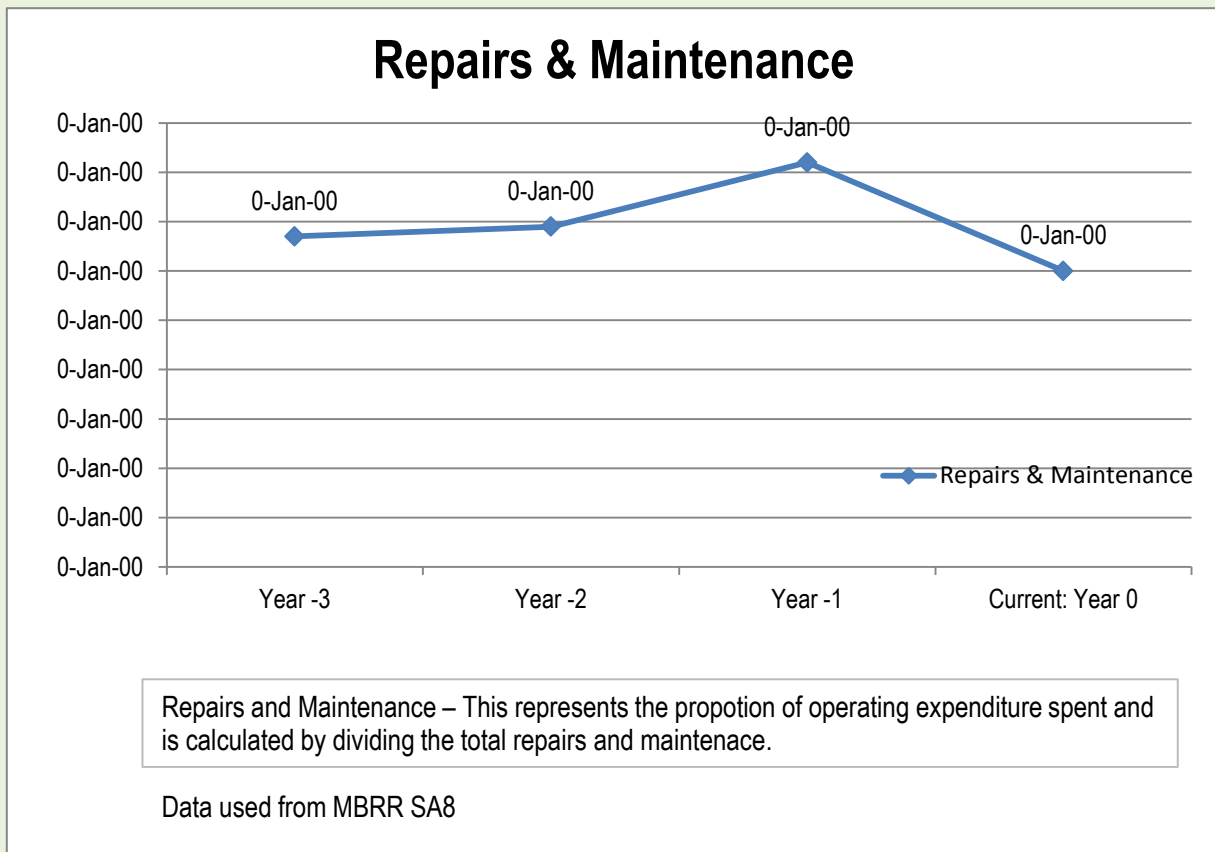


Figure 20 Repairs and Maintenance

Chapter 5

Repair and Maintenance Expenditure: Year 2013/14				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	3,540	3,179	96	97%
				T 5.3.4

Table 99 - Repair and Maintenance Expenditure - 2013/14

5.5 MUNICIPAL INFRASTRUCTURE GRANT (MIG)* EXPENDITURE 2013/14 ON SERVICE BACKLOGS

Municipal Infrastructure Grant (MIG)* Expenditure 2013/14 on Service backlogs						
R' 000						
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Infrastructure - Road transport				%	%	
<i>Ladismith: Nissenville: Upgrade Stoffel street</i>			R1342161.22	%	%	
<i>Van Wyksdorp: New Roads</i>			R112374.17	%	%	
Infrastructure - Electricity				%	%	
<i>Zoar: Protea Park: High Mast Lights</i>			R1453694.84	%	%	
				%	%	
Infrastructure - Water				%	%	
<i>Zoar Water Reticulation</i>			R2796751.43	%	%	
<i>Calitzdorp Water Availability Study</i>			R432582.95	%	%	
<i>Calitzdorp: New Bulk Water Supply</i>			R392489.13	%	%	
<i>Zoar Water Reticulation Investigation</i>			R57235.33			
Infrastructure - Sanitation				%	%	
<i>Ladismith WWTW</i>			R1937466.02	%	%	
<i>Calitzdorp Sewer Pump Station</i>			R695966.65	%	%	
Infrastructure - Other				%	%	
<i>Ladismith: Solid Waste Site</i>			R459629.98	%	%	

Chapter 5

Municipal Infrastructure Grant (MIG)* Expenditure 2013/14 on Service backlogs R' 000						
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
<i>Fencing</i>						
<i> Zoar New Cemetery</i>			R321468.51	%	%	
<i> Calitzdorp Sport field</i>			R171156.09	%	%	
<i> Zoar Sport Field</i>			R132299.62			
<i> Van Wyksdorp Sport field</i>			R82024.06			
Other Specify:				%	%	
				%	%	
Total			R10387300.00	%	%	
<p>* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</p> <p style="text-align: right;">T 5.8.3</p>						

Chapter 5

5.6 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

Service Backlogs as at 30 June 2014				
Households (HHs)				
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	4626	100%	1689	100%
Sanitation	3966	%	1689	100%
Electricity	4626	100%	1689	100%
Waste management	4626	100%	1689	100%
<i>% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements.</i>				<i>T 5.8.2</i>

Chapter 5

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.7 CASH FLOW

Cash Flow Outcomes R'000				
Description	2012/13	2013/14		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES	-			
Receipts	-			
Ratepayers and other	41,608	54,795	69,671	55,281
Government - operating	64,660	25,459	40,585	64,588
Government - capital		32,134	37,036	
Interest	2,619	2,112	1,806	5,316
Dividends	-			
Payments				
Suppliers and employees	(76,842)	(83,573)	(136,748)	(101,991)
Finance charges	(3,042)	(1,182)	(1,182)	(4,439)
Transfers and Grants	-			
NET CASH FROM/(USED) OPERATING ACTIVITIES	29,003	29,746	11,168	18,754
CASH FLOWS FROM INVESTING ACTIVITIES	-			
Receipts				
Proceeds on disposal of PPE				5,546
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables		4	4	
Decrease (increase) in non-current investments	(479)	(544)		(542)
Payments				
Capital assets	(20,823)	(22,131)	(22,131)	(32,157)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(21,303)	(22,672)	(22,128)	(27,153)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	4			4
Borrowing long term/refinancing	1,062			274
Increase (decrease) in consumer deposits	38	13	13	70
Payments				
Repayment of borrowing				71
NET CASH FROM/(USED) FINANCING ACTIVITIES	1,103	13	13	419
NET INCREASE/ (DECREASE) IN CASH HELD	8,804	7,621	(10,413)	(7,980)
Cash/cash equivalents at the year begin:	606	1,487	3,306	9,410
Cash/cash equivalents at the year end:	9,410	9,108	(7,107)	1,430
Source: MBRR A7				T 5.9.1

Table 100Cash Flow Outcomes –

Chapter 5

5.8 BORROWING AND INVESTMENTS

Kannaland Municipality as many other municipalities in South Africa is reliant on grant funding to enhance their income to properly execute their duties and functions as prescribed by the Constitution of South Africa.

Therefore all grant funding received from National and Provincial Government needs to be used, solely for the purposes intended and granted for. The Municipality therefore has adopted an Investment Policy as per Section 13 (2) of the MFMA 56 of 2003, to safely store or invest all monies that's needed for future purposes in the specific financial year, and avoiding the risk of using the money for operational expenses.

During the year under review, no proper investment structure was in place and grant funding could have been used for operational expenses, even though all grant funding was safely deposited into a call account and not taken up in the primary bank account of the Municipality. Proper investments not just makes accounting procedures much easier, but also opens doors for more and more capital investment, that will enrich and enhance the lives of the citizens of our area.

We therefore have established a proper 32 days investment system and all grant funding are safely been deposited at all major banks. This not just ensuring safekeeping of all grant funding, but also enhancing the cash flow position of the municipality by earning additional income from interest.

COMPONENT D: OTHER FINANCIAL MATTERS

5.9 GRAP COMPLIANCE

GRAP COMPLIANCE

GRAP is the acronym for **G**enerally **R**ecognized **A**ccounting **P**ractice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

The financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board. The financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

Chapter 6

CHAPTER 6 – VOLUME I: AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

Kannaland Municipality obtained an unqualified audit opinion for the 2013-14 financial year.

This is a remarkable achievement and puts the municipality in the better half of municipalities within South Africa.

Since the implementation of the MFMA in 2003, Kannaland Municipality never received a positive audit outcome from the Auditor General.

The following table highlights the audit outcomes over the past 12 years:

	1	2	3	4	5	6	7	8	9	10	11	12
	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014
Kannaland Audit opinions	No audit opinion issued	No audit opinion issued	Disclaimer	Disclaimer	Disclaimer	Disclaimer	Disclaimer	Adverse	Disclaimer	Adverse	Adverse	Unqualified

The audit outcome for the 2013-14 financial year indicates that financial statements present fairly, in all material respects, the financial position of the municipality as at 30 June 2014 and its financial performance and cash flows for the year then ended is in accordance with SA GRAP standards and with the requirements of the MFMA and Dora.

This is an exceptional achievement for the municipality, given all the current challenges the municipality still faces as a typical low capacity municipality.

This audit opinion will ensure that public; private sector - and government trust towards the municipality will be fast tracked. This will result in service excellence.

Chapter 6

VOLUME II: TOP LAYER: PERFORMANCE INFORMATION (SEC 46)

PERFORMANCE MANAGEMENT WITHIN KANNALAND MUNICIPALITY

Performance Management System

The Performance Management System (PMS) of the municipality is the institutional system that is employed to develop, monitor and evaluate performance of the municipality. The performance management process is integrated with the IDP and budget. The IDP is the municipal planning stage and the performance management is the implementation, monitoring and evaluation of the IDP.

The IDP for 2013/14 and the Budget for 2013/14 was approved by Council on 28 May 2013. The SDBIP for 2013/14 was approved by the Executive Mayor on 04 June 2013. Performance agreements with Senior Managers were signed on 31 July 2013 and placed on the municipal website in accordance to legislation.

Key Performance Indicators (KPI's) are developed for the Municipal Manager and each Senior Manager reporting to the Municipal Manager. Performance Management, which is a fairly new area of compliance, has been a focus area of the municipality leadership, in ensuring that the municipality is able to comply.

The municipality has conducting four [(2) two quarterly and two (2) half-yearly] assessments in compliance with Performance Management legislation which were overseen by the required functionaries.

A Service delivery Budget Implementation Plan (SDBIP) was adopted during February 2014 and reviewed the Service Delivery budget Implementation Plan during the third quarter. This document was utilized for audit purposes.

AN OVERVIEW OF THE ACTUAL PERFORMANCE OF 2013/14:

This section aims to provide an overview on the strategic achievement of the municipality in terms of strategic intent and deliverables as stated in the IDP.

Chapter 6

OVERALL PERFORMANCE

Status	Description	No of Indicators Achievements
😊	Target achieved and exceeded	28
😐	Target almost achieved and needs further intervention	2
😞	Target not achieved and needs further intervention	17
Total Indicators		47

Table 101 - Overall Perform

Chapter 6

No of Indicators and achievement

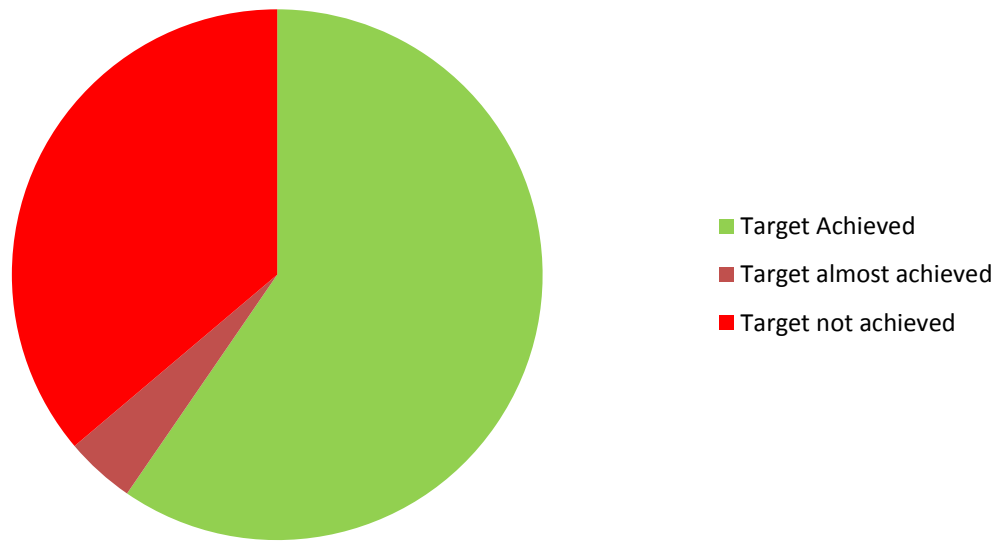


Figure 21 - Indicators Achievement

Chapter 6

PERFORMANCE PER MUNICIPAL OBJECTIVE

The ledger utilised to indicate the status of performance is indicated below.




Status	Description
	Target achieved and exceeded
	Target almost achieved and needs further intervention
	Target not achieved and needs further intervention

Table 102 - Performance ledger utilised

ACCESS TO AFFORDABLE AND RELIABLE MUNICIPAL INFRASTRUCTURE AND SERVICES












Status	Description	No of Indicators Achievements
	Target achieved and exceeded	8
	Target almost achieved and needs further intervention	1
	Target not achieved and needs further intervention	5
Total Indicators		14

Table 103 - Indicators achievement - Access of affordable and reliable municipal infrastructure

Chapter 6

National KPA	Municipal Objectives	Predetermined Objective	Indicator	Baseline or measurement	Wards	Annual Target	Actuals	Comment: Corrective Measures	Status
Basic Service Delivery	Access to Affordable and Reliable Municipal Infrastructure and Services	Basic Municipal Services available to all Clients (water)	% identified proclaimed erven that have access to all municipal services	New KPI Percentage	All	100%	100%	Target achieved. 1346 proclaimed erven have access to all municipal services. Additional 250 proclaimed erven have access to all municipal services	
Basic Service Delivery	Access to Affordable and Reliable Municipal Infrastructure and Services	Basic Municipal Services available to all Clients (Electricity)	% identified proclaimed erven that have with access to all municipal services	New KPI Percentage	All	100%	100%	Target achieved. 1346 proclaimed erven have access to all municipal services. Additional 250 proclaimed erven have access to all municipal services	
Basic Service Delivery	Access to Affordable and Reliable Municipal Infrastructure and Services	Basic Municipal Services available to all Clients (sanitation)	% identified proclaimed erven that have with access to all municipal services	New KPI Percentage	All	100%	100%	Target achieved. 1346 proclaimed erven have access to all municipal services. Additional 250 proclaimed erven have access to all municipal services	
Basic Service Delivery	Access to Affordable and Reliable Municipal Infrastructure and Services	Sufficient capacity available in respect of water, electricity and sewerage	Master plans for all three services reviewed or developed as planned for 2013/14	New KPI Number	All	1 master plan status report submitted to Council	0%	This action must be addressed in the next fin year. The municipality must seek for financial support to develop new master plans.	



Chapter 6

National KPA	Municipal Objectives	Predetermined Objective	Indicator	Baseline or measurement	Wards	Annual Target	Actuals	Comment: Corrective Measures	Status
Basic Service Delivery	Access to Affordable and Reliable Municipal Infrastructure and Services	Sufficient capacity available in respect of water, electricity and sewerage	% allocated capital budgeted spend for upgrading of infrastructure	New KPI Percentage	All	100%	WATER: 94.92% ELECTR: 86.48% SEWAGE: 101.98%	Target achieved and exceeded..	
Basic Service Delivery	Access to Affordable and Reliable Municipal Infrastructure and Services	Reliable, safe and well operated and maintained municipal infrastructure	% of allocated operational budget spend on the upgrading and refurbishment of existing networks and equipment for water, electricity and sewerage	New KPI Percentage	All	100% of allocated operational budget	100%	Target achieved	
Basic Service Delivery	Access to Affordable and Reliable Municipal Infrastructure and Services	Reliable, safe and well operated and maintained municipal infrastructure	% allocated amount for refurbishment of roads and storm water spend	New KPI Percentage	All	100% of allocated operational budget spend	93%	Target not achieved. Some projects are being paid out of Grant funding. The target should be aligned to what the municipality can achieve. It must and will be changed to a more measurable target.	
Basic Service Delivery	Access to Affordable and Reliable Municipal Infrastructure and Services	Reliable, safe and well operated and maintained municipal infrastructure	% allocated budget spend for maintenance of gravel roads	New KPI Number	All	100% of allocated operational budget spend	79%	Target not achieved. Stoffel street were upgraded	



Chapter 6

National KPA	Municipal Objectives	Predetermined Objective	Indicator	Baseline or measurement	Wards	Annual Target	Actuals	Comment: Corrective Measures	Status
Local Economic Development	Access to Affordable and Reliable Municipal Infrastructure and Services	Reliable, safe and well operated and maintained municipal infrastructure	Report to Council on future management of caravan parks	Number	All	1 report	1	Target achieved.	😊
Basic Service Delivery	Access to Affordable and Reliable Municipal Infrastructure and Services	Basic Municipal Services available to all Clients (water, Electricity, sewerage and rubbish removal)	% Clients receive refuse removal services at least once a week (NKPI)	Percentage	All	100%	100%	Target achieved.	😊
Basic Service Delivery	Access to Affordable and Reliable Municipal Infrastructure and Services	Basic Municipal Services available to all Clients (water, Electricity, sewerage and rubbish removal)	% identified clients earning less than R1100 per month receive refuse removal services at least once a week (Section 43) (NKPI)	Percentage	All	100% refuse removal for clients earning less than R1100 at least once a week	100%	Target achieved.	😊
Basic Service Delivery	Access to Affordable and Reliable Municipal Infrastructure and Services	Reliable, safe and well operated and maintained municipal infrastructure	Develop and approve a sport and recreation policy and implementation plan	Number	All	Sport and recreation Policy and implementation plan developed	0	Target not achieved. Policy is in draft format and will be finalised in the next fin year	😐

Chapter 6

National KPA	Municipal Objectives	Predetermined Objective	Indicator	Baseline or measurement	Wards	Annual Target	Actuals	Comment: Corrective Measures	Status
Basic Service Delivery	Access to Affordable and Reliable Municipal Infrastructure and Services	Minimised distribution losses	Water losses maintained below 14% to 16%	New KPI Percentage	All	Maintain below 14% to 16%	For the two towns 56% water losses has been calculated.	Target not achieved however attention will be given to this area in the next financial year The AFS conclude the losses to 41%. However this still outside the norm to be achieved. The municipality has extensive measures in place for the following financial year to reduce the losses.	
Basic Service Delivery	Access to Affordable and Reliable Municipal Infrastructure and Services	Minimised distribution losses	Electricity losses maintained below 14% to 16%	New KPI Percentage	All	Maintain below 14% to 16%	Lds= 14.02% CO = 27.32% Average: 16.7%	Target not achieved, however there is a new credible system in place to rectify all disfunctional meters and readings. The municipality intent to maintain drastic interventions by doing meter audits and make use of process controllers to monitor the losses.	

ACCESS TO MUNICIPAL SOCIAL AND ECONOMIC DEVELOPMENT INITIATIVES

Status	Description	No of Indicators Achievements
	Target achieved and exceeded	7
	Target almost achieved and needs further intervention	0

Chapter 6








	Target not achieved and needs further intervention	1
Total Indicators		8



Table 104 - Indicators achievement - Access to municipal social and economic development initiatives

National KPA	Municipal Objectives	Predetermined Objective	Indicator	Baseline	Unit of measurement	Wards	Annual Target	Actuals	Comment: Corrective Measures	Status
Economic Development	Access to Municipal Social and Economic Development Initiatives	Strong social partnerships established within a safe environment	Develop and approve a LED Strategy and implementation plan.	New KPI	Number	Al I	1 LED Strategy and implementation plan approved	1	Target achieved.	
Economic Development	Access to Municipal Social and Economic Development Initiatives	Strong social partnerships established within a safe environment	LED Forum established and fully operational	New KPI	Number	Al I	1 Forum established and fully operational	1	Target achieved.	
Local Economic	Access to Municipal Social and Economic Development Initiatives	The number of jobs created through the municipality's local development initiatives including capital	Percentage Funding for EPWP Spend	New KPI	Percentage	Al I	100% R 1 000 000	144.25% R1 442 475	Target achieved and exceeded. Additional Municipal funding was utilised.	



Chapter 6

National KPA	Municipal Objectives	Predetermined Objective	Indicator	Baseline	Unit of measurement	Wards	Annual Target	Actuals	Comment: Corrective Measures	Status
Local Economic Development	Access to Municipal Social and Economic Development Initiatives	Strong social partnerships established within a safe environment	Memorandum of agreement signed with NGO sector to address social challenges	New KPI	Number	Al I	3 Partnership agreements signed with NGO's	0	Target not achieved. This will be addressed in the next fin year.	
Local Economic	Access to Municipal Social and Economic Development Initiatives	The number of jobs created through the municipality's local economic development initiatives including capital projects	Number of Expanded Public Works programme (EPWP) opportunities created (NKPI)	New KPI	Number	Al I	285 job opportunities annually	340 job opportunities	Target achieved and exceeded.	
Basic Service Delivery	Access to Municipal Social and Economic Development Initiatives	Housing development effectively facilitated within the framework of sustainable human settlements	Ensure that one accurate database is compiled to address housing needs, including farm dwellers, within the municipal area.	New KPI	Number	Al I	1 accurate database for housing need	1	Target achieved.	

Chapter 6

National KPA	Municipal Objectives	Predetermined Objective	Indicator	Baseline	Unit of measurement	Wards	Annual Target	Actuals	Comment: Corrective Measures	Status
Basic Service Delivery	Access to Municipal Social and Economic Development Initiatives	Housing development effectively facilitated within the framework of sustainable human settlements	Housing master and delivery plan approved and % implemented	New KPI	Number	Al I	1 plan approved and 25 % implemented	0 A housing pipeline was developed however the Human settlement plan was not developed and funding needs to be sourced for the development of the plan.	Target achieved.	
Basic Service Delivery	Access to Municipal Social and Economic Development Initiatives	Housing development effectively facilitated within the framework of sustainable human settlements	% allocated budget spend for the building of houses	New KPI	Percentage	Al I	100% of allocated budget spend	100%	No housing project for 2013/2014. However there was an allocation of R11065.000 for the service of 250 ervens in Calitzdorp.	

VIBRANT MUNICIPALITY WITH AN EFFECTIVE, MOTIVATED AND EFFICIENT WORK FORCE

Status	Description	No of Indicators Achievements
	Target achieved and exceeded	2
	Target almost achieved and needs further intervention	1

Chapter 6






	Target not achieved and needs further intervention	5
Total Indicators		8

Table 105 - Indicators achievement - Vibrant municipality with an effective, motivated and efficient work force

National KPA	Municipal Objectives	Predetermined Objective	Indicator	Baseline	Unit of measurement	Wards	Annual Target	Actuals	Comment: Corrective measures	Status
Good Governance and Public Participation	Vibrant Municipality with an effective, motivated and efficient work force	Improve municipality control environment	Update risk assessment and measurements according to controls implemented	New KPI	Percentage	All	Risk Register compiled and updated annually	1	Target achieved. The risk register was tabled at council in March 2014	
Good Governance and Public Participation	Vibrant Municipality with an effective, motivated and efficient work force	Sound work ethics	Submit monthly fraud and corruption reports to Council	New KPI	Number	All	Monthly At least 10 reports submitted to Council	0	This indicator has not been performed, however it will be addressed in future.	
Good Governance and Public Participation	Vibrant Municipality with an effective, motivated and efficient work force	Sound work ethics	Develop and Implement a Zero tolerance to fraud, corruption and whistle blowing procedures awareness campaign for staff and the public	New KPI	Number	All	Annually	0	0	
Good Governance and Public Participation	Vibrant Municipality with an effective, motivated and efficient work force	A motivated and productive work force	Compile and implement a programme for staff interaction and motivational sessions	New KPI		All	Plan compiled and ready for implementation	No plan compiled.	Target not achieved due to resource constraints.	

Chapter 6

National KPA	Municipal Objectives	Predetermined Objective	Indicator	Baseline or Unit measurement	Wards	Annual Target	Actuals	Comment: Corrective measures	Status
Good Governance and Public Participation	Vibrant Municipality with an effective, motivated and efficient work force	A motivated and productive work force	Develop and complete a staff Perception / satisfaction survey completed	New KPI Number	AI I	1 Survey developed and completed by June 2013	0	Target not achieved. Due to staff and resource capacity constraint, this indicator could not be performed	
Municipal Transformation and Institutional Development	Vibrant Municipality with an effective, motivated and efficient work force	A motivated and productive work force	Develop and implement a recognition achievement standards Policy	New KPI Number	AI I	1 policy developed and implemented	1 Reward and recognition policy adopted 27 Feb 2014	Target achieved.	
Municipal Transformation and Institutional Development	Vibrant Municipality with an effective, motivated and efficient work force	Well trained and appropriately skilled work force focused on objectives of municipality	% budget spend on implementation of Work Skills Plan (NKPI)	New KPI Percentage	AI I	Annually 80%	107.79%	Target achieved	
Good Governance and Public Participation	Vibrant Municipality with an effective, motivated and efficient work force	Well trained and appropriately skilled work force focused on objectives of municipality	% of people from employment equity target groups employed in the three highest level of management in compliance with the municipality's approved equity plan (NKPI)	New KPI Percentage	AI I	60%	0%	This function is not functional as prescribed in the EE Act, however the EE statistics will be addressed in the next financial year.	

Chapter 6

EFFICIENT AND EFFECTIVE GOVERNANCE WITH HIGH LEVEL OF COMMUNITY PARTICIPATION








Status	Description	No of Indicators Achievements
	Target achieved and exceeded	6
	Target almost achieved and needs further intervention	1
	Target not achieved and needs further intervention	0
Total Indicators		7




Table 106 - Indicators achievement - Efficient and effective governance with high level of community participation

National KPA	Municipal Objectives	Predetermined Objective	Indicator	Baseline	Unit of measurement	Wards	Annual Target	Actuals	Comment: Corrective Measures	Status
Good Governance and Public Participation	Efficient and Effective Governance with High Level of Community Participation	Responsive service delivery that is sensitive to the challenges of the public	Fully functional Ward Committees with regular meetings	New KPI	Number	All	48 Ward meetings	40 Ward meetings	Target not achieved. A few ward committee meetings could not be conducted due to elections.	

Chapter 6

National KPA	Municipal Objectives	Predetermined Objective	Indicator	Baseline	Unit of measurement	Wards	Annual Target	Actuals	Comment: Corrective Measures	Status
Good Governance and Public Participation	Efficient and Effective Governance with High Level of Community Participation	Responsive service delivery that is sensitive to the challenges of the public	Develop and Adopt a Public Participation Policy	New KPI	Number	All	1 Public Participation Policy developed and adopted	1	Target achieved. Policy adopted 28 May 2014	
Good Governance and Public Participation	Efficient and Effective Governance with High Level of Community Participation	Responsive service delivery that is sensitive to the challenges of the public	Develop and Adopt a IDP review process plan	New KPI	Number	All	1 plan developed and adopted	1	Target achieved. Plan adopted on 20 August 2014.	
Good Governance and Public Participation	Efficient and Effective Governance with High Level of Community Participation	Responsive service delivery that is sensitive to the challenges of the public	Promote active Public Participation processes by establishing the IDP public forum	New KPI	Number	All	At least 2 annually Forum establish and meeting at least twice annually	10 - Ward committees and Steering committees were utilised as part of the public participation process.	Target achieved and exceeded	

Chapter 6

National KPA	Municipal Objectives	Predetermined Objective	Indicator	Baseline	Unit of measurement	Wards	Annual Target	Actuals	Comment: Corrective Measures	Status
Good Governance and Public Participation	Efficient and Effective Governance with High Level of Community	Responsive service delivery that is sensitive to the challenges of the public	Promote active Public Participation processes by formalising Public Participation Meetings and Workshops	New KPI	Number	All	At least 2 annually At least two workshops held annually for all Wards	10 - Ward committees and Steering committees were utilised as part of the public participation process.	Target achieved and exceeded	
Good Governance and Public Participation	Efficient and Effective Governance with High Level of Community	External and internal clients that are well informed on municipal matters	Formulate and implement a internal and external communication strategy and plan.	New KPI	Number	All	1 Communication strategy and plan formulated and implemented by 30 June 2014	1 Strategy developed in May 2012	Target achieved.	
Good Governance and Public Participation	Efficient and Effective Governance with High Level of Community	External and internal clients that are well informed on municipal matters	Compile and distribute municipal newsletters to empower the community	New KPI	Number	All	4 newsletters made available annually	12	Target achieved and exceeded.	

Chapter 6

A FINANCIALLY SUSTAINABLE AND VIABLE MUNICIPALITY WITH WELL MAINTAINED ASSETS










Status	Description	No of Indicators Achievements
	Target achieved and exceeded	5
	Target almost achieved and needs further intervention	1
	Target not achieved and needs further intervention	4
Total Indicators		10





Table 107 - Indicators achievement - A financially sustainable and viable municipality with well maintained assets

National KPA	Municipal Objectives	Predetermined Objective	Indicator	Baseline	Unit of measurement	Wards	Annual Target	Actuals	Comment: Corrective Measures	Status
Municipal Transformation and Institutional Development	A Financially sustainable and viable Municipality with well maintained assets	External and internal clients that are well informed on municipal matters	Maintain a Website with information as required by MFMA, PAIA	New KPI	Number	All	1 update per week. 4 per month	4 per week 11 per month	Target achieved.	

Chapter 6

National KPA	Municipal Objectives	Predetermined Objective	Indicator	Baseline	Unit of measurement	Wards	Annual Target	Actuals	Comment: Corrective Measures	Status
Financial Viability and Management	A Financially sustainable and viable Municipality with well maintained assets	Secure and increase sources of income	% of debtors accounts collected to improve the debt collection rate.	New KPI	Percentage	AI I	90% of debtors accounts collected	83.93%	Target not achieved however there is an improvement from the previous financial year.	
Financial Viability and Management	A Financially sustainable and viable Municipality with well maintained assets	Affordable and well managed budget	Ratio of cost coverage maintained (NKPA)	New KPI	Percentage	AI I	Not yet determined	0	Target not achieved. The ratios for 2013/2014 cannot be calculated as there are no audited financial statements ready yet.	
Good Governance and Public Participation	A Financially sustainable and viable Municipality with well maintained assets	Improve municipality control environment	Update risk assessment and measurements according to controls implemented	New KPI	Percentage	AI I	Risk Register compiled and updated annually	1	Target achieved. The risk register was tabled at council in March 2014	
Municipal Financial Viability and Management	A Financially sustainable and viable Municipality with well maintained assets	Affordable and well managed budget	Net Debtors to Annual Income (Ratio of outstanding services debtors to revenue actually received for services) (NKPA)	New KPI	Percentage	AI I	Not yet determined	0	Target not achieved. The ratios for 2013/2014 cannot be calculated as there are no audited financial statements ready yet.	
Municipal Financial Viability and Management	A Financially sustainable and viable Municipality with well maintained assets	Affordable and well managed budget	Debt coverage by own billed revenue (NKPA)	New KPI	Percentage	AI I	Not yet determined	0	Target not achieved. The ratios for 2013/2014 cannot be calculated as there are no audited financial statements ready yet.	

Chapter 6

National KPA	Municipal Objectives	Predetermined Objective	Indicator	Baseline	Unit of measurement	Wards	Annual Target	Actuals	Comment: Corrective Measures	Status
Municipal Financial Viability and Management	A Financially sustainable and viable Municipality with well maintained assets	Affordable and well managed budget	% capital budget spend (NKPI)	New KPI	Percentage	AI I	95 - 100%	83.05%	Target not achieved	
Municipal Financial Viability and Management	A Financially sustainable and viable Municipality with well maintained assets	Well managed and maintained assets	Active asset register compiled by June 2014	New KPI	Number	AI I	1 Asset Register for 2013 Compiled	1	Target achieved.	
Municipal Financial Viability and Management	A Financially sustainable and viable Municipality with well maintained assets	Well managed and maintained assets	Develop a Asset Management Strategy	New KPI	Number	AI I	Asset Management Strategy developed and approved	0	Target not achieved. There is no strategy in place but will be addressed in the 2014/2015 fin year.	
Municipal Financial Viability and Management	A Financially sustainable and viable Municipality with well maintained assets	Improve on annual audit by Auditor General	Obtain a Clean Audit Report from the Auditor General	New KPI	Number	AI I	Clean Audit Report received from Auditor General.	The previous outcome was an adverse opinion. The opinion was based on 2012/13 financial year. The organisation is working towards an audit process plan to achieve a possible clean audit report.	Target not achieved. The organisation has a financial recovery / audit plan in place to which is work to achieve a clean audit opinion. This information will be ready in November.	

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.

Glossery

GLOSSARY

Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General performance indicators Key	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National performance areas Key	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".

Glossery

GLOSSARY

Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.

Glossery

GLOSSARY

Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>

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APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance

Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Mayco Meetings Attendance	Percentage Apologies for non-attendance	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%	%	%
J Donson	FT	Mayco	Ward	100%	0%	88%	12%
P Antonie	FT	Mayco / Portfolio Administration	Party Representative	100%	0%	88%	12%
H Ruiters	FT	Mayco / Portfolio Technical	Ward	82%	18%	100%	0%
L Claassen (till 13/12/2013)	PT	Oversight	Party Representative	100%	0%	33%	67%
AA Everts (from 27/2/2014)	Pt	Oversight	Party Representative	100%	0%	100%	0%
W Meshoa	PT	Oversight	Ward	100%	0%	100%	0%
A Rossouw	PT	Oversight	Ward	100%	0%	75%	25%
L Willemse	PT	Oversight	Party Representative	100%	0%	75%	25%

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APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Local Labour Forum	To regulate HR matters
Audit Committee	To have oversight with regard to finance (MFMA) and legislative requirements
Oversight Committee	To have oversight with regard to the Annual Report
Administration Committee	To have oversight with regard to administrative matters
Technical Committee	To have oversight with regard to Technical projects
IDP Steering Committee	To have oversight with regard to the IDP
Risk Committee	To have oversight with regard to the Risk Management function
Budget Steering Committee	Committee established to give oversight with regard to Budget matters
<i>T B</i>	

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APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Office of the Municipal Manager	Mr M M Hoogbaard - Municipal Manager
Office of the Municipal Manager	Mr R Timmie - Town Coordinator - Calitzdorp
Strategic Services	Vacant
Strategic Services	Vacant
Corporate Services	Mr H B Barnard - Executive Manager: Corporate Services
Corporate Services	Mr C Hendricks - Acting Manager: Community Services
Corporate Services	Mr J de Wet - Manager: Administration
Corporate Services	Mr W Baartman - Manager: Housing
Corporate Services	Vacant
Corporate Services	G Breda - Acting Manager: Legal Services
Corporate Services	Vacant - Manager: Human Resources
Technical Services	Vacant - Senior Manager: Technical Services
Technical Services	Mr L Blignault - Manager: Technical Services
Technical Services	Vacant
Finance	Mr N Delo - Executive Manager: Financial Services
Finance	Vacant - Senior Manager: Budget Office
Finance	Mrs S Steyn - Manager: Assets
Finance	Mr R Meyers - Manager: IT
Finance	Vacant - Manager: Treasury
Safety Services	Vacant - Executive Manager: Community and Safety Services

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APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal Functions	
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*
Constitution Schedule 4 and 5 Part B functions:	
Air pollution	YES
Building regulations	YES
Child care facilities	YES
Electricity and gas reticulation	YES
Firefighting services	YES
Local tourism	YES
Municipal airports	YES
Municipal planning	YES
Municipal health services	YES
Municipal public transport	YES
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	YES
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	NO
Stormwater management systems in built-up areas	YES
Trading regulations	NO
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	YES
Beaches and amusement facilities	NO
Billboards and the display of advertisements in public places	NO
Cemeteries, funeral parlours and crematoria	YES
Cleansing	YES
Control of public nuisances	PARTIAL
Control of undertakings that sell liquor to the public	NO
Facilities for the accommodation, care and burial of animals	NO
Fencing and fences	YES
Licensing of dogs	YES
Licensing and control of undertakings that sell food to the public	YES
Local amenities	YES
Local sport facilities	YES
Markets	NO
Municipal abattoirs	YES
Municipal parks and recreation	YES
Municipal roads	YES
Noise pollution	YES
Pounds	NO
Public places	YES
Refuse removal, refuse dumps and solid waste disposal	YES

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Municipal Functions	
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*
Constitution Schedule 4 and 5 Part B functions:	
Street trading	YES
Street lighting	YES
Traffic and parking	YES
<i>* If municipality: indicate (yes or No); * If entity: Provide name of entity</i>	

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APPENDIX E – WARD REPORTING

Functionality of Ward Committees				
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of quarterly public ward meetings held during year
Nissenville Ward 1	Alderman J Donson	Yes	12	3
Calitzdorp Ward 2	Clr W Meshoa	Yes	12	4
Zoar Ward 3	Clr H Ruiters	Yes	12	2
Ladismith Ward 4	Clr A Rossouw	Yes	12	2
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APPENDIX F – WARD INFORMATION

Ward	Project	Amount
3	Zoar - Upgrade of Water Reticulation	R 2 327 940
4	Van Wykdorp – Paving of New Roads	R 112 374
1	Ladismith - Solid Waste Site fencing	R 459 640
3	Zoar: Rehabilitation of Sports field (Tender and design phase)	R 98 883
3	Zoar: Establishment of a new Cemetery (Studies)	R 250 000
2	Calitzdorp – Establishment of new Bulk Water Supply	R 392 489
2	Calitzdorp - Water Availability Study - Study 1,2	R 275 139
3	Zoar - Water Reticulation Investigation	R 77 898
2	Calitzdorp / Bergsig - Rehabilitation of Sewer Pump Station	R 967 518
1	Ladismith - Upgrade of new Waste Water Treatment Works	R 1 883 401
1	Ladismith / Nissanville – Upgrade of Stoffel Street	R 1 753 841
3	Zoar / Protea Park – Installation of new High Mast Lighting	R 1 607 970
2	Calitzdorp / Bersig – Rehabilitation of Sports Field (Tender and design phase)	R 98 183
4	Van Wyksdorp – Rehabilitation of Sports Field	R 82 024
ALL	Project Management Unit Operating Costs	R 546 700

APPENDICES

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2013/14

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during Year 0	Recommendations adopted (enter Yes) If not adopted (provide explanation)
Monday, September 9, 2013	It is recommended that the municipality perform quarterly cost analysis of compliance vs service delivery. It is further recommended that a compliance calendar be established.	Internal Audit was tasked to assist with cost analysis. A compliance calendar was not yet developed for the period under review.
	The audit committee proposes that a closer working relationship be established between management, internal audit and the Auditor General in order to better understand be able to respond to the audit methodology of the Auditor General.	The CFO established a Grap steering committee consisting of the AG offices, Internal Audit, the audit committee and management. The working relationship between these stakeholders have improved tremendously during the year.
Tuesday, November 12, 2013	The Audit Committee requested management to continuously assess the top risks facing the municipality and to provide risk management feedback at all the audit committee meetings. They are of the view that risk management is a on-going activity which should not be limited to quarterly assessments and reporting	Risk management is a standing item on the audit committee as well as management meetings and are addressed and when these meetings take place. Management committed themselves to continuous risk assessment processes.
	AC request the municipality to formalise a credit control and debt collection unit to ensure the collection of outstanding monies owed to the municipality.	A dedicated internal debt collection unit is established and an external service provider was appointed to assist with the debt collection process.
	Municipal vacancies to be filled with capacitated employees who will be able to perform the tasks as required. At be skills audit must be conducted in line with the job descriptions of the various positions to ensure that employees are capacitated or can be developed to be able to perform the tasks required in terms of the job descriptions.	A skills audit was performed on all skilled employees in the municipality and job descriptions were developed for all positions. The process is still on-going.
	Performance agreements must be developed for middle management	This process is on-going with the previous item listed

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Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during Year 0	Recommendations adopted (enter Yes) If not adopted (provide explanation)
Friday, February 28, 2014	Officials must be trained and developed to understand the audit process in order to be better able to respond to the audit process.	Management has exposed senior and middle management more to the audit process during the 2013/2014 audit process. With this they have gained a lot of insight in the audit process and are now in a better position to respond to the audit process positively.
	The audit committee suggest to management to ensure that they prepare an annual report which of value and speaks to the true achievements and challenges of the Kannaland municipal area. The further suggest that the Audit committee assist the municipality in carrying out a more strategic role in the municipality	The municipality appointed an external service provider to work closely with the municipal official responsible for the annual report and performance management in general to ensure that a credible document is presented. The vision of management for the 2014/2015 process is to obtain permanent internal capacity to perform this task.
Wednesday, April 30, 2014	The audit committee recommend that management at all times try to make use of the most cost effective, yet functional methods to perform tasks. It is noted that small municipalities such as this normally make use mostly of local professional services, and should the tasks become to challenging, the best thing is to set up a capacitated unit to do so.	This recommendation is noted by management and will be implemented as deem fit.
	The committee requests that management assist them in establishing a closer oversight relationship with Council in order to better assist the municipality with the challenges and tasks at hand. It is further noted that the committee could play a vital role in assisting Council with the interpretation of financial reports.	This is still an on-going process
	The audit committee requests that management address the control weaknesses identified by internal audit. They are of the view that they cannot address or implement the recommendations, however, that they can strengthen management's hands to address the issues.	This is still an on-going process as the external audit findings are evident that more dedication is required in this regard. Management is however dedicated to address this recommendation, therefore the assistance of internal audit in the audit outcome of 2013/2014.
	It is further recommended that the internal audit reports become a standing item on the Management meetings and action plans developed to address the findings.	This process is still on-going with the previous item listed.

APPENDICES

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during Year 0	Recommendations adopted (enter Yes) If not adopted (provide explanation)
	In light of a recent internal audit investigation performed on the Supply Chain Management operations, it is noted that management seriously re-evaluate the municipality policies and policy registers and to ensure updated policies are submitted to Council for approval.	Management implemented this process but is however still in process to complete the update of the policy register.
Thursday, May 22, 2014	The Audit Committee recommends that Management review the fees of the Auditor General and go into discussions about a possible reduced fee	The matter was taken up by Management and great success was made with this.
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APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

NOT APPLICABLE

APPENDICES

APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

NOT APPLICABLE

APPENDICES

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July to 30 June of Year 2013/14 (Current Year)		
Position	Name	Description of Financial interests* (Nil / Or details)
(Executive) Mayor	Jeffrey Donson	Did submitted in 2011/12
Member of MayCo / Exco	Jeffrey Donson	Did submitted in 2011/12
	Phillip Antonie	Did submitted in 2011/12
	Hyrin Ruiters	Did submitted in 2011/12
Councillor	Albertus Roussow	Did submitted in 2011/12
	Lorraine Claassen	Did submitted in 2011/12
	Werner Meshoa	Did submitted in 2011/12
	Leonna Willemse	Did submitted in 2011/12
Municipal Manager	Morne Hoogbaard	Did submitted in 2011/12
Chief Financial Officer	Nigel Delo	Did submitted in 2011/12
Deputy MM and (Executive) Directors		
Other S57 Officials	Hendrik Barnard	Did submitted in 2011/12

* Financial intersests to be disclosed even if they incurred for only part of the year. See MBRR SA34A T J

APPENDICES

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Vote Description	2012/13	Current: Year 2013/14			Year 2013/14 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Vote 1 - Executive Council	2,107,158	1,896	4,009	164	-91%	-96%
Vote 2 - Corporate Services	16,842,581	4,424	24,114	5,145	16%	-79%
Vote 3 - Financial Services	18,503,169	20,474	20,912	26,852	31%	28%
Vote 4 - Technical Services	79,440,778	105,839	100,064	122,092	15%	22%
Total Revenue by Vote	116,894	132,633	149,098	154,253		
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3</i>						

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APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source R '000						
Description	2012/13	2013/14			Year Variance 2013/14	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	8,790	12,118	12,118	11,604	-4%	-4%
Property rates - penalties & collection charges	-		-			
Service Charges - electricity revenue	33,437	34,508	30,883	34,708	1%	11%
Service Charges - water revenue	4,199	9,637	9,637	10,088	4%	4%
Service Charges - sanitation revenue	3,979	6,629	6,629	4,146	-60%	-60%
Service Charges - refuse revenue	3,278	5,815	5,815	4,543	-28%	-28%
Service Charges - other	-		-			
Rentals of facilities and equipment	245	241	273	243	1%	-12%
Interest earned - external investments	997	268	700	1,637	84%	57%
Interest earned - outstanding debtors	1,594	1,844	1,844	3,557	48%	48%
Dividends received	-		-			
Fines	704	1,592	599	3,371	53%	82%
Licences and permits	313	129	70	411	69%	83%
Agency services	585	425	658	682	38%	4%
Transfers recognised - operational	25,425	25,298	40,585	40,762	38%	0%
Other revenue	2,375	397	2,252	10,656	96%	79%
Gains on disposal of PPE	-		-	49	100%	100%
Environmental Protection	-					
Total Revenue (excluding capital transfers and contributions)	85,921	98,901	112,062	126,457	21.79 %	11.38%
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.</i>						
T K.2						

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APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

NOT APPLICABLE

APPENDICES

APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme*							
R '000							
Description	2012/13	2013./14			Planned Capital expenditure		
	Actual	Original Budget	Adjustm ent Budget	Actual Expenditure	2012/13	2011/12	2010/11
Capital expenditure by Asset Class							
Infrastructure – Total	–	–		–	–	17,333	19,044
Infrastructure: Road transport – Total	–	–		–	–	12,333	13,044
Roads, Pavements & Bridges					0	12,332,750	13,043,940
Storm water							
Infrastructure: Electricity – Total	–	–		–	–	–	–
Generation							
Transmission & Reticulation							
Street Lighting							
Infrastructure: Water - Total	–	–		–	–	5,000	6,000
Dams & Reservoirs					0	5,000,000	6,000,000
Water purification							
Reticulation							
Infrastructure: Sanitation – Total	–	–		–	–	–	–
Reticulation							
Sewerage purification							
Infrastructure: Other - Total	–	–		–	–	–	–
Waste Management							
Transportation							
Gas							
Other							
Community – Total	–	–		–	–	–	–
Parks & gardens							
Sportsfields & stadia							
Swimming pools							

APPENDICES

Capital Expenditure - New Assets Programme* R '000							
Description	2012/13	2013./14			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2012/13	2011/12	2010/11
Community halls							
Libraries							
Recreational facilities							
Fire, safety & emergency							
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other							

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Capital Expenditure - New Assets Programme* R '000							
Description	2012/13	2013./14			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2012/13	2011/12	2010/11
Capital expenditure by Asset Class							
<u>Heritage assets - Total</u>	-	-		-	-	-	-
Buildings							
Other							
<u>Investment properties - Total</u>	-	-		-	-	-	-
Housing development							
Other							
-							
<u>Other assets</u>	-	-		-	-	-	-
General vehicles							
Specialised vehicles							
Plant & equipment							
Computers							
hardware/equipment							
Furniture and other office equipment							

APPENDICES

Capital Expenditure - New Assets Programme* R '000							
Description	2012/13	2013./14			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2012/13	2011/12	2010/11
Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings							
Other Land							
Surplus Assets - (Investment or Inventory)							
Other							
<u>Agricultural assets</u>	-	-		-	-	-	-
<i>List sub-class</i>							
<u>Biological assets</u>	-	-		-	-	-	-
<i>List sub-class</i>							
<u>Intangibles</u>	-	-		-	-	-	-
Computers - software & programming							
Other (<i>list sub-class</i>)							
Total Capital Expenditure on new assets	-	-		-	-	17,333	19,044
<u>Specialised vehicles</u>	-	-		-	-	-	-
Refuse							
Fire							
Conservancy							
Ambulances							
* Note: Information for this table may be sourced from MBRR (2009: Table SA34a) T M.1							

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APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Capital Expenditure - Upgrade/Renewal Programme* R '000

Description	2012/13	2013./14			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2012/13	2011/12	2010/11
Capital expenditure by Asset Class							
Infrastructure - Total	-	-		-	-	-	-
Infrastructure: Road transport - Total	-	-		-	-	-	-
Roads, Pavements & Bridges							
Storm water							
Infrastructure: Electricity - Total	-	-		-	-	-	-
Generation							
Transmission & Reticulation							
Street Lighting							
Infrastructure: Water - Total	-	-		-	-	-	-
Dams & Reservoirs							
Water purification							
Reticulation							
Infrastructure: Sanitation - Total	-	-		-	-	-	-
Reticulation							
Sewerage purification							
Infrastructure: Other - Total	-	-		-	-	-	-
Waste Management							
Transportation							
Gas							
Other							
Community	-	-		-	-	-	-
Parks & gardens							
Sportsfields & stadia							
Swimming pools							
Community halls							
Libraries							
Recreational facilities							
Fire, safety & emergency							
Security and policing							

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Capital Expenditure - Upgrade/Renewal Programme* R '000							
Description	2012/13	2013./14			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2012/13	2011/12	2010/11
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other							
Heritage assets	-	-		-	-	-	-
Buildings							
Other							
Table continued next page							
Table continued from previous page							
Capital Expenditure - Upgrade/Renewal Programme* R '000							
Description	2012/13	2013./14			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2012/13	2011/12	2010/11
Capital expenditure by Asset Class							
Investment properties	-	-		-	-	-	-
Housing development							
Other							
Other assets	-	-		-	-	-	-
General vehicles							
Specialised vehicles							
Plant & equipment							
Computers							
hardware/equipment							
Furniture and other office equipment							
Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings							
Other Land							
Surplus Assets - (Investment or Inventory)							

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Capital Expenditure - Upgrade/Renewal Programme* R '000							
Description	2012/13	2013./14			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2012/13	2011/12	2010/11
Other							
<u>Agricultural assets</u>	-	-		-	-	-	-
<i>List sub-class</i>							
<u>Biological assets</u>	-	-		-	-	-	-
<i>List sub-class</i>							
<u>Intangibles</u>	-	-		-	-	-	-
Computers - software & programming							
Other (<i>list sub-class</i>)							
Total Capital Expenditure on renewal of existing assets	-	-		-	-	-	-
<u>Specialised vehicles</u>	-	-		-	-	-	-
Refuse							
Fire							
Conservancy							
Ambulances							
* Note: Information for this table may be sourced from MBRR (2009: Table SA34b)							T M.2

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APPENDIX N – CAPITAL PROGRAMME BY PROJECT 2013/14

Capital Programme by Project: Year 2013/14					
R' 000					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Water					
Zoar Water Reticulation			R2796751.43		
Calitzdorp Water Availability Study			R432582.95		
Calitzdorp: New Bulk Water Supply			R392489.13		
Zoar Water Reticulation Investigation			R57235.33		
Sanitation/Sewerage					
Ladismith WWTW			R1937466.02		
Calitzdorp Sewer Pump Station			R695966.65		
Electricity					
Zoar: Protea Park: High Mast Lights			R1453694.84		
"Project B"					
Housing					
"Project A"					
"Project B"					
Refuse removal					
Ladismith: Solid Waste Site Fencing			R459629.98		
"Project B"					
Roads and Stormwater					
Ladismith: Nissenville: Upgrade Stoffel street			R1342161.22		
Van Wyksdorp: New Roads			R112374.17		
Economic development					
"Project A"					
"Project B"					
Sports, Arts & Culture					
Calitzdorp Sport field			R171156.09		
Zoar Sport Field			R132299.62		
Van Wyksdorp Sport field			R82024.06		
Environment					
<i>T N</i>					

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APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD

Capital Programme by Project by Ward: Year 2013/14		
R' 000		
Capital Project	Ward(s) affected	Works completed (Yes/No)
Water		
Zoar Water Reticulation	3	Partially
Calitzdorp Water Availability Study	2	Partially
Calitzdorp: New Bulk Water Supply	2	Yes
Zoar Water Reticulation Investigation	3	Yes
Sanitation/Sewerage		
Ladismith WWTW	1	Partially
Calitzdorp Sewer Pump Station	2	Partially
Electricity		
Zoar: Protea Park: High Mast Lights	3	Yes
Housing		
Refuse removal		
Ladismith: Solid Waste Site Fencing	1	Yes
Roads and Stormwater		
Ladismith: Nissenville: Upgrade Stoffel street	1	Yes
Van Wyksdorp: New Roads	4	Yes
Economic development		
Sports, Arts & Culture		
Calitzdorp Sport field	2	No
Zoar Sport Field	3	No
Van Wyksdorp Sport field	4	Yes
Environment		
Health		
Safety and Security		
ICT and Other		
T O		

APPENDICES

APPENDIX P – PRESEDENTIAL OUTCOME FOR LOCAL GOVERNMENT

National and Provincial Outcomes for Local Government		
Outcome/Output	Progress to date	Number or Percentage Achieved
Output: Improving access to basic services	Challenges faced in the previous financial year are being addressed	85%
Output: Implementation of the Community Work Programme	Good working relationships with CWP to address certain service delivery issues	70%
Output: Deepen democracy through a refined Ward Committee model	The ward committee function operates fully in all four wards.	100%
Output: Administrative and financial capability	Kannaland Municipality's main objective is to improve on its current financial welfare and challenges faced in the previous financial year are being addressed.	85%
<p><i>* Note: Some of the outputs detailed on this table may have been reported elsewhere in the Annual Report. Kindly ensure that this information consistent.</i></p> <p>T S</p>		

VOLUME II

VOLUME III: ANNUAL FINANCIAL STATEMENTS